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ROANOKE CITY COUNCIL

February 21, 2006

2:00 p.m.

The Council of the City of Roanoke met in regular session on Tuesday, February 21, 2006, at 2:00 p.m., the regular meeting hour, in the Roanoke City Council Chamber, Room 450, Noel C. Taylor Municipal Building, 215 Church Avenue, S. W., City of Roanoke, with Mayor C. Nelson Harris presiding, pursuant to Chapter 2, Administration, Article II, City Council, Section 2-15, Rules of Procedure, Rule 1, Regular Meetings, Code of the City of Roanoke (1979), as amended, and pursuant to Resolution No. 37109-070505 adopted by the Council on Tuesday, July 5, 2005.

PRESENT: Council Members Beverly T. Fitzpatrick, Jr., Sherman P. Lea, Brenda L. McDaniel, Brian J. Wishneff, M. Rupert Cutler and Mayor C. Nelson Harris -----6.

ABSENT: Alfred T. Dowe, Jr.-----1.

The Mayor declared the existence of a quorum.

OFFICERS PRESENT: Darlene L. Burcham, City Manager; William M. Hackworth, City Attorney; Ann H. Shawver, Deputy Director of Finance; and Stephanie M. Moon, Deputy City Clerk.

The invocation was delivered by Council Member Sherman P. Lea.

The Pledge of Allegiance to the Flag of the United States of America was led by Mayor Harris.

PRESENTATIONS AND ACKNOWLEDGEMENTS:

DECEASED PERSONS: Council Member Cutler offered the following resolution memorializing the late Evelyn Bruce Snead, mother of George C. Snead, Jr., former Assistant City Manager for Operations:

(#37304-022106) A RESOLUTION memorializing the late Evelyn Bruce Snead, mother of former Assistant City Manager Chip Snead.

(For full text of resolution, see Resolution Book 70, Page 151.)

Council Member Cutler moved the adoption of Resolution No. 37304-022106. The motion was seconded by Vice-Mayor Fitzpatrick and adopted by the following vote:

AYES: Council Members Fitzpatrick, Lea, McDaniel, Wishneff, Cutler and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

The Mayor called for a moment of silence in memory of Mrs. Snead and presented a ceremonial copy of the abovereferenced resolution to her son, George C. Snead, Jr.

Mr. Snead expressed appreciation to City Council and to the City Administration for all of the acts of kindness that were shown to his mother during his tenure with the City of Roanoke; and advised that on behalf of himself and his brother, he was honored to accept the resolution.

CONSENT AGENDA

The Mayor advised that all matters listed under the Consent Agenda were considered to be routine by the Members of Council and would be enacted by one motion in the form, or forms, listed on the Consent Agenda, and if discussion was desired, the item would be removed from the Consent Agenda and considered separately. He called specific attention to a request for one Closed Session to discuss disposition of publicly-owned property, where discussion in open meeting would adversely affect the bargaining position or negotiating strategy of the public body.

MINUTES: Minutes of the regular meetings of Council held on Tuesday, January 3, 2006; Tuesday, January 17, 2006; and the special meeting held on Tuesday, January 17, 2006, were before the body.

Vice-Mayor Fitzpatrick moved that the reading of the minutes be dispensed with and that the minutes be approved as recorded. The motion was seconded by Council Member Cutler and adopted by the following vote:

AYES: Council Members Fitzpatrick, Lea, McDaniel, Wishneff, Cutler and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

COMMITTEES-ROANOKE NEIGHBORHOOD PARTNERSHIP: A communication from Carol Jensen tendering her resignation as a member of the Roanoke Neighborhood Advocates, was before Council.

Vice-Mayor Fitzpatrick moved that the resignation be accepted and that the communication be received and filed. The motion was seconded by Council Member Cutler and adopted by the following vote:

AYES: Council Members Fitzpatrick, Lea, McDaniel, Wishneff, Cutler and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

OATHS OF OFFICE-COMMITTEES-BLUE RIDGE BEHAVIORAL HEALTHCARE: A report of qualification of Robert Williams, Jr., as a member of the Blue Ridge Behavioral Healthcare Board of Directors, for a term ending December 31, 2008, was before Council.

Vice-Mayor Fitzpatrick moved that the report of qualification be received and filed. The motion was seconded by Council Member Cutler and adopted by the following vote:

AYES: Council Members Fitzpatrick, Lea, McDaniel, Wishneff, Cutler and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

CITY COUNCIL: A communication from the City Manager requesting that Council convene in a Closed Meeting to discuss disposition of publicly-owned property, where discussion in open meeting would adversely affect the bargaining position or negotiating strategy of the public body, pursuant to Section 2.2-3711 (A)(3), Code of Virginia (1950), as amended, was before the body.

Vice-Mayor Fitzpatrick moved that Council convene in Closed Meeting as abovedescribed. The motion was seconded by Council Member Cutler and adopted by the following vote:

AYES: Council Members Fitzpatrick, Lea, McDaniel, Wishneff, Cutler and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

REGULAR AGENDA

PUBLIC HEARINGS: NONE.

PETITIONS AND COMMUNICATIONS:

BUDGET-CLERK OF COURT-CIRCUIT COURT: A communication from the Clerk of Circuit Court advising that the Clerk is responsible, by statute, for the recordation of legal instruments which include Land Records, Marriage Licenses, Financing Statements, Assumed Names, Wills and other Probate Records, and Law, Chancery and Criminal Orders, was before Council.

It was further advised that records must be maintained and made available to the public; the Compensation Board, through the Technology Trust Fund, has made funds available to be allocated toward contractual obligations for offices that have indicated that funds are needed; the City of Roanoke Circuit Court Clerk's Office has been allocated funds, in the amount of \$29,964.00, for equipment upgrades and maintenance fees; and acceptance of the funds is vital to meeting year-end budget obligations by the Clerk's Office.

The Clerk of the Circuit Court recommended that Council accept funding from the Compensation Board Technology Trust Fund, in the amount of \$29,964.00, appropriate \$29,964.00 and establish a revenue estimate in the same amount in accounts in the Grant Fund to be established by the Director of Finance.

A communication from the City Manager concurring in the abovereferenced recommendation, was also before Council.

Vice-Mayor Fitzpatrick offered the following budget ordinance:

(#37305-022106) AN ORDINANCE to appropriate funding from the Commonwealth of Virginia through the Technology Trust Fund for the improvement of operations in the Office of Circuit Court Clerk, amending and reordaining certain sections of the 2005-2006 Grant Fund Appropriations, and dispensing with the second reading by title of this ordinance.

(For full text of ordinance, see Ordinance Book 70, Page 152.)

Vice-Mayor Fitzpatrick moved the adoption of Ordinance No. 37305-022106. The motion was seconded by Council Member McDaniel and adopted by the following vote:

AYES: Council Members Fitzpatrick, Lea, McDaniel, Wishneff, Cutler and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

REPORTS OF OFFICERS:

CITY MANAGER:

BRIEFINGS: NONE.

ITEMS RECOMMENDED FOR ACTION:

BUDGET-HUMAN DEVELOPMENT: The City Manager submitted a communication advising that the City of Roanoke is a grant recipient for Workforce Investment Act (WIA) funding, thus, Council must appropriate funding for all grants and other monies received in order for the Western Virginia Workforce Development Board to administer WIA programs; and the Western Virginia Workforce Development Board administers the Federally funded Workforce Investment Act for Area 3, which encompasses the Counties of Alleghany, Botetourt, Craig, Franklin and Roanoke, and the Cities of Covington, Roanoke, and Salem.

It was further advised that the Western Virginia Workforce Development Board has received a Memorandum of Understanding (MOU) from the Virginia Employment Commission to allocate WIA funds from the Governor's Statewide Discretionary Funds to be used for the following activities:

- Reassessment of the Workforce Board and one-stop operating system structure, policies and procedures, with the intent to improve Workforce Board efficiency, in collaboration with economic development and overall customer service; and add business services.
- Activities identified as necessary to implement findings that result from the abovementioned reassessment.

It was stated that the MOU received from the Virginia Employment Commission allocates \$12,100.00 for capacity building activities to the Western Virginia Workforce Development Board for costs incurred from October 1, 2004 through June 30, 2006; and funds are available from the Virginia Employment Commission, at no additional cost to the City.

The City Manager recommended that Council accept the Western Virginia Workforce Development Board Workforce Investment Act Capacity Building funds, in the amount of \$12,100.00, and adopt an ordinance establishing revenue estimates and appropriating funds in accounts in the Grant Fund to be established by the Director of Finance.

Vice-Mayor Fitzpatrick offered the following budget ordinance:

(#37306-022106) AN ORDINANCE to appropriate funding from the Commonwealth of Virginia for the Workforce Investment Act Grant Capacity Building Activity FY06, amending and reordaining certain sections of the 2005-2006 Grant Fund Appropriations, and dispensing with the second reading by title of this ordinance.

(For full text of ordinance, see Ordinance Book No. 70, Page 153.)

Vice-Mayor Fitzpatrick moved the adoption of Ordinance No. 37306-022106. The motion was seconded by Council Member Cutler.

Council Member Lea inquired about the progress of the Workforce Development Board; i.e.: whether the issue involving receipt of contracts by Total Action Against Poverty (TAP) through the Workforce Board has been resolved, and whether a TAP representative has been reinstated to the Workforce Development Board. The City Manager responded that the issue involving TAP contracts has been resolved, and a TAP representative was not reinstated to the Workforce Development Board. She added that the Workforce Development Board has received high marks for productivity.

There being no further discussion, Ordinance No. 37306-022106 was adopted by the following vote:

AYES: Council Members Fitzpatrick, Lea, McDaniel, Wishneff, Cutler and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

BUDGET-HUMAN DEVELOPMENT: The City Manager submitted a communication advising that the Virginia Department of Social Services grants funds to Virginia Commonwealth University (VCU) for operation of five Virginia Institute for Social Service Training Activities (VISSTA) Area Training Centers throughout the Commonwealth of Virginia; and the City of Roanoke Department of Social Services has received an annual subaward for local supervision and operation of the Piedmont Area Training Center since 1998, however, in the current fiscal year, the subaward has been issued twice, once for the first half of the fiscal year, and a modified version to cover the second half of the fiscal year.

It was further advised that Council previously authorized the City Manager to execute the subaward agreement that included a budget of \$258,505.00 for the first six months of the 2006 fiscal year program; the City's adopted budget for the entire fiscal year was \$373,357.00; a new subaward for the second half of the fiscal year has been issued in an additional amount of \$258,505.00, for a total subaward of \$517,010.00, which is issued on a cost reimbursable basis; current revenue estimate is \$402,000.00 and an increase in revenue estimate of \$115,010.00 is needed.

It was stated that the VISSTA program provides valuable training classes for local Department of Social Services staff, including social workers, eligibility workers, supervisors, administrative staff and training for local department of social services approved or State licensed child care providers; and training events enhance the knowledge and skills of staff and child care providers, such that vulnerable children, adults and families are effectively assisted in obtaining an appropriate level of safety and self-sufficiency.

The City Manager recommended that she be authorized to accept a \$258,505.00 subaward from Virginia Commonwealth University and execute Subaward Agreement Modification One, for the period of January 1, 2006 to July 31, 2006; that Council adopt an ordinance increasing the revenue estimate for VISSTA, Account No. 001-110-1234-0671, in the amount of \$115,010.00; and authorize the Director of Finance to appropriate funds to the following accounts:

001-630-5318-1003	(Overtime Wages)	\$ 2,000.00
001-630-5318-1116	(ICMA Match)	500.00
001-630-5318-1131	(Disability Insurance)	50.00
001-630-5318-2010	(Fees for Professional Services)	10,000.00
001-630-5318-2020	(Telephone)	2,500.00
001-630-5318-2030	(Administrative Supplies)	6,500.00
001-630-5318-2035	(Expendable Equipment)	10,000.00
001-630-5318-2066	(Program Activities)	43,160.00
001-630-5318-3075	(Other Rental)	40,000.00
001-630-5318-7026	(Fleet Parts/Sublet Billings)	<u>300.00</u>
		<u>\$115,010.00</u>

Council Member Cutler offered the following budget ordinance:

(#37307-022106) AN ORDINANCE to appropriate funding from the Commonwealth of Virginia for the Virginia Institute for Social Service Training Activities (VISSTA), amending and reordaining certain sections of the 2005-2006 General Fund Appropriations, and dispensing with the second reading by title of this ordinance.

(For full text of ordinance, see Ordinance Book No. 70, Page 154.)

Council Member Cutler moved the adoption of Ordinance No. 37307-022106. The motion was seconded by Council Member McDaniel and adopted by the following vote:

AYES: Council Members Fitzpatrick, Lea, McDaniel, Wishneff, Cutler and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

Vice-Mayor Fitzpatrick offered the following resolution:

(#37308-022106) A RESOLUTION authorizing the acceptance of a subaward, in the amount of \$258,505.00, from Virginia Commonwealth University and authorizing the City Manager to execute a subaward agreement with Virginia Commonwealth University for such funds for local supervision and operation of the Virginia Institute for Social Service Training Activities ("VISSTA") Piedmont Area Training Center, upon certain terms and conditions.

(For full text of resolution, see Resolution Book No. 70, Page 155.)

Vice-Mayor Fitzpatrick moved the adoption of Resolution No. 37308-022106. The motion was seconded by Council Member Daniel and adopted by the following vote:

AYES: Council Members Fitzpatrick, Lea, McDaniel, Wishneff, Cutler and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

BUDGET-GRANTS- POLICE DEPARTMENT: The City Manager submitted a communication advising that the Virginia Department of Criminal Justice Services (DCJS) provides grant funding for programs and activities which increase the apprehension, prosecution and adjudication of persons committing violent crimes against women; the Program, "Virginia Services, Training, Officers, Prosecution Violence Against Women" (V-STOP) has funded the establishment of a Domestic Violence Unit within the Police Department since 1999; the Domestic Violence Unit collects and interprets relevant domestic violence offense data which allows proactive case intervention and cultivation of the cooperative working relationships with clients and service/adjudication agencies; and the program produces more equitable victim-offender criminal justice dispositions related to domestic violence offenses.

It was further advised that on December 16, 2004, DCJS awarded the Police Department \$32,967.00 to employ a full-time, non-sworn Domestic Violence Specialist, thereby allowing continuation of the Domestic Violence Unit in calendar year 2006; the required City in-kind match of \$10,989.00 will be met through a cash transfer, in the amount of \$8,532.00, and an in-kind donation of \$2,457.00; a cash expenditure is necessary to continue to fully fund the salary and benefits portion of the Domestic Violence Specialist position; and funding for the local match is budgeted in Local Match Funding for Grants, Account No. 035-300-9700-5415.

The City Manager recommended that Council accept the V-STOP grant and authorize execution of the grant agreement and any related documents, in a form to be approved by the City Attorney; and adopt a budget ordinance establishing revenue estimates for State grant funds, in the amount of \$32,967.00, transferring funds in the amount of \$8,532.00 from Account No. 035-300-9700-5415 to provide local match funds, and appropriating a total of \$41,499.00 to accounts in the Grant Fund to be established by the Director of Finance.

Vice-Mayor Fitzpatrick offered the following budget ordinance:

(#37309-022106) AN ORDINANCE to appropriate funding from the Commonwealth of Virginia for the Police Department Domestic Violence Program Grant, amending and reordaining certain sections of the 2005-2006 Grant Fund Appropriations, and dispensing with the second reading by title of this ordinance.

(For full text of ordinance, see Ordinance Book No. 70, Page 156.)

Vice-Mayor Fitzpatrick moved the adoption of Ordinance No. 37309-022106. The motion was seconded by Council Member Cutler.

Council Member Lea advised that the City has established a Domestic Violence Task Force, and inquired about the handling of funds that are provided for the Program through the Commonwealth of Virginia. The City Manager advised that the Police Department Domestic Violence Program Grant will help fund a full-time position charged with the responsibility of collecting and interpreting data with regard to domestic violence, and to investigate ways to intervene in local domestic violence offenses, such as identifying organizations that could provide assistance to victims of domestic violence in certain situations.

There being no further discussion, Ordinance No. 37309-022106 was adopted by the following vote:

AYES: Council Members Fitzpatrick, Lea, McDaniel, Wishneff, Cutler and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

Vice-Mayor Fitzpatrick offered the following resolution:

(#37310-022106) A RESOLUTION accepting the Virginia Services, Training, Officers, Prosecution (V-STOP) Violence Against Women grant to the City from the Virginia Department of Criminal Justice Services, and authorizing execution of any required documentation on behalf of the City.

(For full text of resolution, see Resolution Book No. 70, Page 157.)

Vice-Mayor Fitzpatrick moved the adoption of Resolution No. 37310-022106. The motion was seconded by Council Member Cutler and adopted by the following vote:

AYES: Council Members Fitzpatrick, Lea, McDaniel, Wishneff, Cutler and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

CITY PROPERTY-PURCHASE/SALE OF PROPERTY-Y.M.C.A.: The City Manager submitted a communication advising that on December 24, 2002, the City of Roanoke entered into an Agreement with the YMCA of Roanoke Valley, Inc. (YMCA), to provide support for development and construction of a new YMCA facility in the West Church area of downtown Roanoke to accommodate an expansion of YMCA programs, and to transfer the former YMCA building and land located at the corner of Church Avenue and Fifth Street, S. W., to the City of Roanoke; as specified in the Agreement, the YMCA was required to remove an underground storage tank and all appurtenances and to remediate any soil impacted by the presence of the underground storage tank before transferring the property to the City;

It was further advised that the underground storage tank was removed from the former YMCA site in December 2004, however, impacted soil and piping associated with the storage tank were left in place by the contractor working for the YMCA, along with a pedestrian walkway linking the former main YMCA building with the YMCA's auxiliary gymnasium; the agreement dated December 24, 2002, contemplates the transfer of the main YMCA building from the YMCA to the City, with the YMCA retaining title to the YMCA's auxiliary gymnasium; provisions for removal of the pedestrian walkway linking the two structures need to be established; and Amendment No. 3 addresses other related issues, such as the closing date and survival of certain terms beyond the closing date.

It was stated that the YMCA has approached the City to amend the Agreement dated December 24, 2002, in order to allow the YMCA to transfer a portion of the former YMCA facility to the City, with piping and impacted soil on the property; Amendment No. 3 will allow the YMCA to remove the piping and impacted soil at its expense, if the City decides to demolish the former main YMCA building; and if the City sells the property "as is", the YMCA is under no obligation to remove the piping and impacted soil.

It was further stated that if the sale price for the property is diminished by the presence of the piping and impacted soil, the YMCA and the City will agree on a third party to establish the difference in value of the property, with the YMCA to be responsible for the difference; and Amendment No. 3 will allow the pedestrian walkway between the former YMCA building and the YMCA auxiliary gymnasium to be removed at the expense of the YMCA, pursuant to other terms and conditions as agreed upon.

The City Manager recommended that she be authorized to execute Amendment No. 3 to the Agreement dated December 24, 2002, between the City of Roanoke and the YMCA of Roanoke Valley Inc., releasing the YMCA from the initial obligation to remove all underground storage tank appurtenances, as well as impacted soil from the former YMCA property located at the corner of Church Avenue and Fifth Street, S. W., to the City of Roanoke prior to transferring the former YMCA property to the City, including provisions for removal of the pedestrian bridge by the YMCA between the former YMCA building and the YMCA auxiliary gymnasium, at the YMCA's expense, and other related documents, subject to approval as to form by the City Attorney.

Vice-Mayor Fitzpatrick offered the following ordinance:

(#37311-022106) AN ORDINANCE authorizing the City Manager to execute Amendment No. 3 to the Agreement dated December 24, 2002, between the City of Roanoke and the YMCA of Roanoke Valley, Inc. ("YMCA"), to extend the date to February 28, 2006, by which the YMCA must transfer to the City of Roanoke a portion of the property on which the former YMCA facility is located, to address the future removal and disposal of piping and impacted soil from an underground storage tank, to address the removal and disposal of a pedestrian walkway between two buildings which constituted the former YMCA facility, to address survival of such provisions and other provisions after closing, and to include other terms and conditions; and dispensing with the second reading by title of this ordinance.

(For full text of ordinance, see Ordinance Book No. 70, Page 158.)

Vice-Mayor Fitzpatrick moved the adoption of Ordinance No. 37311-022106. The motion was seconded by Council Member Cutler and adopted by the following vote:

AYES: Council Members Fitzpatrick, Lea, McDaniel, Wishneff, Cutler and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

TRAFFIC-STATE HIGHWAYS: The City Manager submitted a communication advising that the Virginia Department of Transportation (VDOT) recently published the Interstate 81 (I-81) Corridor Improvement Tier 1 Draft Environmental Impact Statement (Tier 1 DEIS) and is currently seeking public comments; the streamlined Tier 1 DEIS process, being conducted in accordance with the Federal Highway Administration (FHWA) and National Environmental Policy Act of 1969 (NEPA) guidelines, identifies needs, develops solutions and evaluates potential impacts associated with conceptual-level improvements along the entire 325-mile Interstate 81 (I-81) corridor in Virginia, as well as improvements to Norfolk Southern Shenandoah and Piedmont rail lines in Virginia; potential impacts of specific improvements will be analyzed in greater detail during Tier 2 if a “Build” concept (or portion of a “Build” concept) is advanced; Tier 1 study documents existing and future needs along the corridor; and upon completion of the Tier 1 study, decisions will be based upon the following:

- improvement concepts for highway and rail facilities;
- advancing I-81 as a toll pilot under Section 1216(b) of the Transportation Equity Act for the 21st Century (TEA-21);
- projects with independent utility and logical termini to be studied in Tier 2;
- types of Tier 2 NEPA document(s);
- location of the corridor for studying alignments in Tier 2; and
- possible purchase of certain right-of-way parcels on a case-by-case basis.

The City Manager recommended that Council adopt a resolution in support of multi-modal Interstate 81 corridor improvements.

Vice-Mayor Fitzpatrick offered the following resolution:

(#37312-022106) A RESOLUTION requesting the Commonwealth Transportation Board to make the multi-modal improvement of the Interstate 81 (I-81) corridor a high priority transportation project within the Commonwealth and to proceed with the necessary work to implement these improvements in a timely manner.

(For full text of resolution, see Resolution Book No. 70, Page 159.)

Vice-Mayor Fitzpatrick moved the adoption of Resolution No. 37312-022106. The motion was seconded by Council Member Cutler.

Council Member Cutler read the following portion of Resolution No. 37312-022106:

“THEREFORE, BE IT RESOLVED by the Council of the City of Roanoke that the City hereby endorses and requests that the Commonwealth Transportation Board continue the advancement of corridor improvements appropriately balancing freight rail, public transportation, and strategic interstate widening in a manner that will maximize the utilization and efficiency of all transportation modes along this corridor while minimizing impacts on the environment, including scenic and cultural resources. Further, the City urges the Commonwealth of Virginia to identify, and make available, the needed resources to improve this vital corridor in a timely manner, and for VDOT to recognize the I-81 highway improvement segments in the Roanoke and New River Valleys as high priorities to be more closely studied and advanced in the I-81 Corridor Improvement Tier 2 environmental documents.”

For clarification purposes, Council Member Cutler reiterated that the abovementioned portion of Resolution No. 37312-022106 requests the Commonwealth Transportation Board to continue the advancement of corridor improvements to balance freight rail, public transportation, and strategic interstate widening that will maximize utilization and efficiency of all transportation modes along the I-81 corridor while minimizing impacts on the environment.

There being no further discussion, Resolution No. 37312-022106 was adopted by the following vote:

AYES: Council Members Fitzpatrick, Lea, McDaniel, Wishneff, Cutler and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

CITY ATTORNEY:

STREETS AND ALLEYS: The City Attorney submitted a written report advising that on October 18, 2001, Council adopted Ordinance No. 35619-101801 permanently vacating a portion of an unnamed and undeveloped alleyway between 10th Street and 11th Street, S. E., upon certain conditions; one of the conditions was that the petitioner, Sherman W. Chisom, record a copy of Ordinance No. 35619-101801 in the Office of the Circuit Court Clerk for the City of Roanoke within a period of 12 months from the effective date of the ordinance; and if all of the conditions were not met within the 12 month timeframe, the ordinance would become null and void without further action by City Council.

It was explained that Michael S. Ferguson, Attorney, representing the petitioner, has advised that all conditions of the ordinance were timely completed, except for the inadvertent failure to record a copy of the ordinance; therefore, Mr. Ferguson has prepared and filed an application requesting that Ordinance No. 35619-101801 be amended and reordained to allow 60 months for recordation of the ordinance and amendment to Ordinance No. 35619-101801; and the Engineering Department and the Department of Planning Building and Economic Development have no objection to the request.

The City Attorney recommended that Council adopt an ordinance to amend and reordain Ordinance No. 35619-101801, with the condition that the period of time required for satisfaction of the condition be changed from 12 months to 60 months.

Vice-Mayor Fitzpatrick offered the following ordinance:

(#37313-022106) AN ORDINANCE amending and reordaining Ordinance No. 35619-101801; and dispensing with the second reading by title of this ordinance.

(For full text of ordinance, see Ordinance Book No. 70, Page 160.)

Vice-Mayor Fitzpatrick moved the adoption of Ordinance No. 37313-022106. The motion was seconded by Council Member McDaniel and adopted by the following vote:

AYES: Council Members Fitzpatrick, Lea, McDaniel, Wishneff, Cutler and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

HOUSING/AUTHORITY-STREETS AND ALLEYS: The City Attorney submitted a written report advising that the City of Roanoke Redevelopment and Housing Authority ("Authority") is in the process of taking over the development of the Fifth Street Gateway project located in the 500 block of Loudon Avenue, N. W., from the Northwest Neighborhood Environmental Organization ("NNEO"); at the request of NNEO, Council adopted Ordinance No. 36226-020303 closing two alleys in the area of the project; Ordinance No. 36226-020303 required that, within one year from the date of adoption of the ordinance, NNEO would have a subdivision plat prepared and recorded combining the closed alleys with the adjoining lots; and because the plat was never prepared and recorded, Ordinance No. 36226-020303, by its terms, became void.

It was further advised that Ordinance No. 36226-020303 must be amended to allow for the closure of the alleys and to grant the Housing Authority an additional 12 months to prepare and record an appropriate plat; and in accordance with the Authority's request, Council adopted Ordinance No. 37152-081505 amending and reordaining Ordinance No. 36226-020303 to allow a plat of subdivision to be prepared and recorded within 36 months after February 3, 2003, the date of adoption of the original ordinance.

The City Attorney pointed out that by letter dated February 7, 2006, the Housing Authority advised that the required subdivision plat had not yet been recorded; accordingly, the Housing Authority requested that an additional 12 months be granted to complete the process; and the Engineering Department and the Department of Planning Building and Economic Development have no objection to the request.

The City Attorney recommended that Council adopt an ordinance amending and reordaining Ordinance No. 36226-020303 allowing a plat of subdivision to be prepared and recorded within 48 months after February 3, 2003, the date of adoption of the original ordinance.

Vice-Mayor Fitzpatrick offered the following ordinance:

(#37314-022106) AN ORDINANCE amending and reordaining Ordinance No. 36226-020303; and dispensing with the second reading by title of this ordinance.

(For full text of ordinance, see Ordinance Book No. 70, Page 161.)

Vice-Mayor Fitzpatrick moved the adoption of Ordinance No. 37314-022106. The motion was seconded by Council Member Lea and adopted by the following vote:

AYES: Council Members Fitzpatrick, Lea, McDaniel, Wishneff, Cutler and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

DIRECTOR OF FINANCE:

BONDS/BOND ISSUES-BUDGET-CIVIC CENTER-CITY INFORMATION SYSTEMS-CAPITAL IMPROVEMENTS PROGRAM- ARTS MUSEUM OF WESTERN VIRGINIA-RIVERSIDE CENTRE-SCHOOLS: The Director of Finance submitted a written report advising that the City's 2006A and 2006B General Obligation Public Improvement Bonds, in the amount of \$35,055,000.00, were issued on February 8, 2006; the

Series 2005 General Obligation Public Improvement Bonds, in the amount of \$3,975,000.00, were issued on December 15, 2005; proceeds from the issuances are available for appropriation; several projects have been established and funded in advance of issuance of the bonds; and the following table details projects to be funded by the bonds:

Project	Issue Amount	Amount Previously Appropriated	Remaining to be Appropriated
<u>Civic Facilities Fund</u>			
Civic Center Renovations-Phase II	\$ 6,405,000.00	\$ 6,405,000.00	
<u>Parking Fund</u>			
Downtown West Parking Garage	\$ 2,600,000.00		\$ 2,600,000.00
<u>Capital Projects Fund</u>			
Art Museum	\$ 3,700,000.00	\$ 2,500,000.00	\$ 1,200,000.00
Riverside Centre for Research and Technology	5,500,000.00	5,495,750.00	4,250.00
Countryside Golf Course	<u>3,975,000.00</u>	<u>3,975,000.00</u>	<u>-</u>
Total Capital Projects Fund	\$13,175,000.00	\$11,970,750.00	\$ 1,204,250.00
<u>Department of Technology Fund</u>			
Financial Information Systems Replacement	\$ 2,600,000.00		\$ 2,600,000.00
<u>School Capital Projects Fund</u>			
Patrick Henry High School	<u>\$14,250,000.00</u>	<u>\$ -</u>	<u>\$14,250,000.00</u>
Grand Total	<u>\$39,030,000.00</u>	<u>\$18,375,750.00</u>	<u>\$20,654,250.00</u>

The Director of Finance recommended that Council adopt an ordinance to appropriate the remaining \$20,654,250.00 in bond funds to the appropriate project accounts.

Vice-Mayor Fitzpatrick offered the following budget ordinance:

(#37315-022106) AN ORDINANCE to appropriate funding to be provided by the Series 2005 and 2006A and B Bonds to various capital projects, amending and reordaining certain sections of the 2005-2006 Civic Facilities, Parking, Capital Projects, Department of Technology and School Capital Projects Funds Appropriations and dispensing with the second reading by title of this ordinance.

(For full text of ordinance, see Ordinance Book No. 70, Page 163.)

Vice-Mayor Fitzpatrick moved the adoption of Ordinance No. 37315-022106. The motion was seconded by Council Member Cutler and adopted by the following vote:

AYES: Council Members Fitzpatrick, Lea, McDaniel, Wishneff, Cutler and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

REPORTS OF COMMITTEES:

BUDGET-SCHOOLS: A report of the Roanoke City School Board requesting appropriation of the following funds, was before Council:

- \$544,576.00 from the Capital Maintenance and Equipment Replacement Fund to fund facility maintenance and food services equipment, and school-based furniture.
- \$4,100,000.00 from the Roanoke City Stadium/Amphitheater project to provide funding for construction of a football stadium to be located on the Patrick Henry High School campus.

A report of the Director of Finance recommending that Council concur in the request of the School Board, was also before the body.

Vice-Mayor Fitzpatrick offered the following budget ordinance for its first reading:

(#37316) AN ORDINANCE to appropriate funding for the 2005-06 Capital Maintenance and Equipment Replacement Program and Patrick Henry High School Stadium Project, amending and reordaining certain sections of the 2005-2006 General, Capital Projects, School, School Capital Projects, and School Food Services Fund Appropriations.

(For full text of ordinance, see Ordinance Book No. 70, Page 174.)

Vice-Mayor Fitzpatrick moved the adoption of Ordinance No. 37316. The motion was seconded by Council Member Cutler.

Mr. Alan Scanlan, 1631 Center Hill Drive, S. W., advised that an informal referendum was held over the weekend and although the referendum was not attended by a large number of citizens, the overwhelming message was that the citizens of Roanoke do not approve of actions taken by City Council. He stated that he did not know that the school administration would show favoritism to some schools due to the influence of certain parents whose children attend the schools, but he knows now; he did not know that while one school administrator spoke in public about no meetings or discussions having been held to construct a high school stadium on the Patrick Henry High School campus as quickly as possible to accommodate 4,000 or more participants, another school official

denied that the meeting occurred, but he knows now; he did not know that 48 per cent or more of the City's population, 18 years of age or younger, are below the poverty level, but he knows now; he did not know that economic issues of the City serves as a magnet for the Roanoke City School system's problems and feeds the growth of surrounding communities, but he knows now; he did not know that the former School Administrator, under the watch of the current School Board, was aware of the school system's false certifications of instructional compliance that were forwarded to the State Department of Education, but he knows now; he did not know that some of the forces in the City that have urged construction of high school stadiums are likely responsible for the School Board's failure to address instructional time needs because they would be disruptive to affluent life styles, but he knows now; he did not know that 70 per cent of candidates campaigning for City Council believe that too many public decisions are tainted before they begin and that the City Manager has her own agenda, but he knows now. He stated that he did not know that there are avenues of recourse open to citizens and/or citizen organizations who are not willing to stand by while City Council continues to do whatever it pleases, and although the cost may be significant, citizens are prepared to take whatever action is necessary.

Ms. Margaret Keyser, 2701 Guilford Avenue, S. W., advised that it is hoped that the \$4 million plus that will be allocated to Roanoke City Public Schools will include the cost of a sunken stadium at Patrick Henry High School, and additional lighting in the school parking lot and the parking lot at the Raleigh Court Branch Library to accommodate overflow parking. She further advised that approximately two years ago, Council promised that there would be dialogue with the residents of the area prior to making a decision concerning an on-campus stadium at Patrick Henry High School; although four meetings were held at Patrick Henry High School with the architect and the School administration, the meetings did not address the City's obligation to residents, and no Member of City Council attended any of the meetings to address questions raised by residents. She expressed concern with regard to parking and traffic issues in the neighborhood; usage of the field will be greater than four to five football games per year as was previously stated, and will most likely include Parks and Recreation, as well as community events, at any time during the day. She also expressed concern with regard to a statement that was made during a City Planning Commission meeting that parking plans for the high school stadium should be revised to accommodate spill over into the neighborhood due to narrow streets; therefore, residents of the area would like to discuss the issue with the City's Traffic Engineer. She questioned how the Council could, in good conscience, provide the necessary funds to the school system to construct the athletic field without addressing the concerns of residents. In closing, she inquired if the school administration or the Department of Parks and Recreation will contact residents prior to scheduled events. She urged that Council give serious consideration to the construction of a stadium at Patrick Henry High School, and asked that City officials meet with residents of the area to discuss their concerns.

Council Member Wishneff advised of his plans to vote against adoption of the budget ordinance because in May 2005 Council unanimously voted to engage a consultant to study the stadium issue, which did not include stadia at the two high schools; and Council was unanimous in its decision not to study high school stadia due to the negative impact on the surrounding neighborhoods. He called attention to an article in the *Roanoke Times* following receipt of the consultant's report in which the news media used the word "surprised" to explain the reaction of City Council because the consultant's report on Victory Stadium was positive. He added that what he did not know until the Citizens for a Sensible Stadium group requested e-mails through the Virginia Freedom of Information Act was that prior to release of the consultant's report, five Members of City Council had discussed ways to overturn the results of the stadium study prior to release of the report to the public.

Council Member Wishneff referred to an e-mail from a Member of Council to the Chair of the School Board under date of October 25, 2005, which offered suggestions with regard to the demolition of Victory Stadium and the construction of a soccer field, and contributions by the City to encourage the School Board to agree with construction of high school stadia. He also referred to an article in USA Today with regard to an increase in violence at high school football games throughout the United States and in the Commonwealth of Virginia. He pointed out that having lived in the neighborhood surrounding Patrick Henry High School for the past 15 years, the image portrayed by the City regarding the lack of violence at high school football games is a "fairy tale"; and having witnessed the traffic situation, he could attest to the negative impact of parking and traffic in the area. He added that for many years, City Councils have rejected the idea of constructing a high school stadium at Patrick Henry High School so as not to place the neighborhood at risk, and alluded to existing problems of the City such as a declining population and deterioration of neighborhoods, etc. He referred to proposed action by the City of Norfolk in June 2003 to construct a stadium for Granby High School beside the Virginia Zoo in Lafayette Park, which action was later rescinded and the City of Norfolk constructed a high school stadium at a site near Old Dominion University which is farther away from Granby High School in Norfolk than Victory Stadium is to Patrick Henry High School in Roanoke. He stated that the City of Norfolk continues to prosper, the decline in population has been reversed, economic development is flourishing, the downtown area is thriving, and the school system has turned itself around; however, in contrast to the City of Roanoke where population has decreased to 92,000 citizens, with a school system that is in trouble, a downtown that has lost approximately 5,000 people, and a reported reputation as the second most dangerous city in Virginia.

There being no further discussion, Ordinance No. 37315-022106 was adopted by the following vote:

AYES: Council Members Fitzpatrick, McDaniel, Cutler and Mayor Harris-----4.

NAYS: Council Members Lea and Wishneff-----2.

(Council Member Dowe was absent.)

UNFINISHED BUSINESS: NONE.

INTRODUCTION AND CONSIDERATION OF ORDINANCES AND RESOLUTIONS:
NONE.

MOTIONS AND MISCELLANEOUS BUSINESS:

INQUIRIES AND/OR COMMENTS BY THE MAYOR AND MEMBERS OF COUNCIL:

ACTS OF ACKNOWLEDGEMENT-NEWSPAPERS-CITY MARKET: Council Member Cutler referred to an article in the January 2006 *Virginia Town & City Magazine* with regard to the benefits of City squares that included the following sentence: "Does your community host a still-vital town square created in years long past such as Roanoke's Market Square?"

PARKS AND RECREATION-ACTS OF ACKNOWLEDGEMENT-NEWSPAPERS: Council Member Cutler called attention to a column by Dan Smith in the February 13, 2006 edition of the *Blue Ridge Business Journal* that complimented Gary Hegner, Parks Supervisor, Roanoke Parks and Recreation Department, for encouraging student artist and skateboarder Hunter Dickenson to paint the City-County Skateboard Park.

ACTS OF ACKNOWLEDGEMENT: Council Member Cutler announced that Mike Etienne, former Director of Housing and Neighborhood Services, recently received his Doctorate of Philosophy Degree. He advised that he served on the Doctoral Committee and attended the oral examination on Mr. Etienne's dissertation at Virginia Commonwealth University on February 9, 2006.

HUMAN DEVELOPMENT-COUNCIL OF COMMUNITY SERVICES: Council Member Cutler announced the availability of a 2-1-1 number for various health/human service needs, which has been a long term goal of the Council of Community Services.

HEARING OF CITIZENS UPON PUBLIC MATTERS: The Mayor advised that Council sets this time as a priority for citizens to be heard and matters requiring referral to the City Manager will be referred immediately for response, recommendation or report to Council.

CITY PROPERTY-EASEMENTS: Ms. Amanda Davis, 1998 Cahas Mountain Road, Boones Mill, Virginia, advised that she serves as administrator of her father's estate as it relates to property that was purchased in 1938 near Bennett Springs in Roanoke County. She further advised that a Bill of Complaint and Demurrer was filed against adjoining property owners who purchased properties in 2003 and thereafter, when access rights to her father's property were revoked. She added that efforts to work out access rights with three other property owners failed, as well as a request for right-of-way easement across City property. She stated that other property owners have access to their properties without crossing City property; therefore, she requested that Council authorize a right-of-way easement across City property to her property, with the understanding that any request by the City to maintain the scenic quality of the land will be complied with.

Council Member Cutler advised that he visited Ms. Davis' property, as well as certain property that was previously granted a right-of-way easement across City property. He stated that the City erred in granting the right-of-way easement across City-owned property to the previous owner because of timbering of the land. He also expressed concern with regard to blight from the access road to the Carvins Cove Natural Reserve, and recommended that the City not grant a right-of-way easement as requested by Ms. Davis.

Ms. Davis responded that she has no plans to timber the land; however, if the request for a right-of-way easement across City property is denied, her only recourse will be to sell the property to the adjoining property owner.

There being no further discussion, Ms. Davis' request was referred to the City Manager for study and report to Council.

CITY GOVERNMENT: Mr. John Kepley, 2909 Morrison Street, S. E., advised that certain Members of Council do not hear what the citizens of Roanoke are saying, and quoted a Bible passage which states that they have ears but they hear not. He added that certain Members of Council are mentally alive, but spiritually dead, and their conscience has become seared to the point of not hearing the citizens of Roanoke. He added that every action taken by the Council is recorded, and the Apostle Paul said that each of us shall give an account of himself to God.

ARMORY/STADIUM: Mr. Winfred Noell, 2743 Northview Drive, S. W., read a statement written by the Mayor with regard to Victory Stadium prior to the 2004 Councilmanic election entitled, "I Changed My Mind with Good Reason". Mr. Noell questioned why the Mayor listened to and honored the will of citizens two years ago, yet, with regard to construction of high school stadia, he discounted the will of the Roanoke's citizens.

CITY MANAGER COMMENTS:

RVCVB: The City Manager called attention to an article in the February 21, 2006 edition of *The Roanoke Times* with regard to a pledge of \$60,000.00 by the Roanoke Valley Convention and Visitors Bureau, the Roanoke Valley Economic Development Partnership, and several local governments to attract the second annual U. S. Challenge to the Roanoke Valley. She advised that that event pairs athletic and outdoor competition with tests of strategic thinking and teamwork.

At 3:15 p.m., the Mayor declared the Council meeting in recess for one Closed Session.

At 3:45 p.m., the Council meeting reconvened in the City Council Chamber, with all Members of the Council in attendance, except Council Member Dowe, Mayor Harris presiding.

COUNCIL: With respect to the Closed Meeting just concluded, Council Member Cutler moved that each Member of City Council certify to the best of his or her knowledge that: (1) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act; and (2) only such public business matters as were identified in any motion by which any Closed Meeting was convened were heard, discussed or considered by City Council. The motion was seconded by Vice-Mayor Fitzpatrick and adopted by the following vote:

AYES: Council Members Fitzpatrick, Lea, McDaniel, Wishneff, Cutler and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

At 3:55 p.m., the Mayor declared the Council meeting in recess to be reconvened at 7:00 p.m., in the City Council Chamber, Room 450, Noel C. Taylor Municipal Building.

At 7:00 p.m., on Tuesday, February 21, 2006, the Council meeting reconvened in the City Council Chamber, Room 450, Noel C. Taylor Municipal Building, 215 Church Avenue, S. W., City of Roanoke, Virginia, with Vice-Mayor Beverly T. Fitzpatrick, Jr., presiding.

PRESENT: Council Members Sherman P. Lea, Brenda L. McDaniel, Brian J. Wishneff (arrived late), M. Rupert Cutler and Vice-Mayor Beverly T. Fitzpatrick, Jr.-----5.

ABSENT: Council Member Alfred T. Dowe, Jr., and Mayor C. Nelson Harris-----2.

OFFICERS PRESENT: Darlene L. Burcham, City Manager; William M. Hackworth, City Attorney; Ann H. Shawver, Deputy Director of Finance; and Stephanie M. Moon, Deputy City Clerk.

The invocation was delivered by Vice-Mayor Beverly T. Fitzpatrick, Jr.

The Pledge of Allegiance to the Flag of the United States of America was led by Vice-Mayor Fitzpatrick.

PRESENTATIONS AND ACKNOWLEDGEMENTS:

PROCLAMATIONS: The Vice-Mayor presented a proclamation to David Mays, an Advisor to the Roanoke Valley DeMolay Chapter, declaring the month of March 2006 as DeMolay Month.

The Vice-Mayor recognized Bo Painter, Chris Ballard, Nick Dugan, Jonathan Mays, Charlie Scruggs, Paul Brammer and Seth Sprinkle, members of the Roanoke DeMolay Chapter, and expressed appreciation for their many contributions to the community.

PUBLIC HEARINGS:

HOUSING/AUTHORITY-ROANOKE VISION, COMPREHENSIVE DEVELOPMENT PLAN-COMMUNITY PLANNING: Pursuant to instructions by the Council, the City Clerk having advertised a public hearing for Tuesday, February 21, 2006, at 7:00 p.m., or as soon thereafter as the matter may be heard, on the proposal of the City of Roanoke to amend Vision 2001-2020, the City's Comprehensive Plan, to include the Strategic Housing Plan, the matter was before the body.

Legal advertisement of the public hearing was published in *The Roanoke Times* on Monday, February 13, 2006, and Monday, February 17, 2006; and in the *Roanoke Tribune* on Thursday, February 9, 2006.

The City Planning Commission submitted a written report advising that in 2003, K. W. Poore and Associates, Richmond, Virginia, was awarded the bid to lead development of a Strategic Housing Plan; with assistance from City staff, a steering committee of 19 citizens was appointed in the fall of 2003; and public meetings, including focus groups, were held during the winter of 2004.

It was further advised that the overall goal of the Housing Plan is to reverse negative trends experienced by the City over the past 20 years, which involves increasing the amount of market rate housing, improving housing conditions, halting the decline in population, and increasing income levels of City residents; the Plan stresses that the City must realize its potential by capitalizing on urban assets, rather than competing in the realm of suburban housing; and the Plan also recommends cooperation and partnerships with the private sector, and linking housing initiatives with economic development activities.

It was noted that in order to achieve the abovereferenced goals, the Housing Plan proposes the following: Neighborhood Strategies for each of the following areas: downtown, northern edge of Old Southwest, Gainsboro, Southeast by Design, West End/Hurt Park, South Jefferson/Bio-Medical District, and City suburban/Neo-traditional neighborhoods; Citywide Strategies to include examination of all current ordinances and City programs, marketing the City, addressing school issues, and attracting active seniors, young professionals and empty nesters; and funding strategies are identified as solicitation of for-profit and non-profit organizations for development, joint developers investing in a single project to reduce risk, and additional City commitments.

The City Planning Commission recommended amendment of Vision 2001-2020, the City's Comprehensive Plan, to include the Strategic Housing Plan, with the following modifications:

- *Affordable Housing Must Be Maintained* (p. 6). The Commission recommends striking the phrase "inclusionary techniques" from the last sentence in the third paragraph on page 6.
- *Substandard and Dilapidated Neighborhoods where Rehabilitation is not Economically Feasible* (p. 17) - The Commission recommends that this section be deleted from the report.
- Gainsboro - Geographic Focus (p. 30) - The Commission recommends the following text be inserted: "Roanoke Redevelopment and Housing Authority (RRHA) owns a number of scattered site lots, as well as the Cherry Avenue site in Gainsboro. These properties were acquired and made available as part of the Redevelopment/Conservation Plan for the neighborhood through various acquisition and clearance means over an extended period of time."

Council Member Cutler offered the following ordinance:

(#37317-022106) AN ORDINANCE approving the Strategic Housing Plan, and amending Vision 2001-2020, the City's Comprehensive Plan, to include the Strategic Housing Plan; and dispensing with the second reading of this ordinance by title.

(For full text of ordinance, see Ordinance Book No. 70, Page 165.)

Council Member Cutler moved the adoption of Ordinance No. 37317-022106. The motion was seconded by Council Member Lea.

The Vice-Mayor inquired if there were persons present who would like to speak in connection with the matter. There being none, he declared the public hearing closed.

Council Member Cutler asked the following questions:

What are “loan pools” and how are they funded?

R. Brian Townsend, Agent, City Planning Commission, advised that a “loan pool” is a source of money that can be accessed and reused as loans are paid off to facilitate rehabilitation or new construction of housing, and could be self sufficient, once initiated. He identified several funding sources such as CDBG funds, General Fund money and grants, and an appropriate funding source would depend on the target of the housing market.

Who administers the loan pool?

Mr. Townsend stated that the Housing Plan identifies either the Roanoke Redevelopment and Housing Authority or the City’s Neighborhood and Housing Services Department as the two entities to administer the loan pool on behalf of the City of Roanoke.

If the plan is approved, what is the next step toward creating a loan pool?

Mr. Townsend advised that the next step would be to identify a source of funds and the target portion of the housing market that addresses either rehabilitation or new construction, and whether the City should look at buying down or lowering the interest rate for a loan or down payment assistance. He called attention to a series of potential programmatic responses that are included in the Plan that identify ways to focus on the City’s strategic housing mission.

Does the Cradle 2 Cradle (C2C) innovative housing program fit into the Strategic Housing Plan?

Mr. Townsend stated that the C2C project was considered by the committee even though the process began in 2003, prior to the C2C project; the C2C project was geared toward exploring innovative design as opposed to housing strategies and contained a different focus by identifying new and better ways to design housing that is sustainable in terms of design and materials used. He added that although the C2C project was not included in this specific Housing Plan, it is cited as an innovative way to provide housing within the City of Roanoke.

Does the Housing Plan address the racially segregated nature of Roanoke’s housing?

Mr. Townsend stated that a significant amount of time was spent reviewing the City's housing market in comparison to the region, both geographically and the City as a whole; the Plan identifies not only social and economic divisions relative to the housing market in terms value, but also studies clusters of still segregated housing in terms of racial breakdown within some sections of Roanoke; and one of the goals of the Plan is to provide a better range of housing within the entire City and begin to address some of the discrepancies identified geographically, socially and economically.

Is the power of eminent domain a useful tool to help accomplish the Strategic Housing Plan, and will certain legislation before the General Assembly act as a deterrent to the City?

Mr. Townsend stated that he could not speak to what the General Assembly might be considering, however, certain bills are pending in the General Assembly that will clarify rules as to when eminent domain may be used by a locality in Virginia; even though the Housing Plan does not recommend or advocate eminent domain, it specifically focuses on redevelopment in the core areas of neighborhoods that surround downtown Roanoke in all directions which is a critical location that needs the most attention; and the Plan looks at using other tools and means for new housing development in the core areas, and the primary focus of the Plan is to provide a better ratio of the City's housing market. He explained that there is a disproportionate share of lower end of the scale housing value within the City, and the Plan identifies areas where some insertion of new investment could bring disproportionate housing back into balance in order to have the City's housing profile reflect the entire region.

Council Member McDaniel inquired about implementation of new housing initiatives; whereupon, Mr. Townsend advised that the City will provide a frame work to respond to the private sector and private developers, both for profit and non-profit organizations, and thereafter, discussions will be initiated by the City to encourage investments in disadvantaged or key neighborhoods.

Council Member McDaniel noted that the Housing Plan provides for strategies to promote the Rehabilitation Loan Fund Program and requested an explanation of the Program; whereupon, Mr. Townsend advised that the City is working with the Roanoke Redevelopment and Housing Authority to broaden criteria in order to provide loans in larger amounts so that more persons will qualify; the Plan advocates expanding the loan fund for rehabilitation of existing structures as a critical part of housing strategy, due to the City's existing housing stock; and the City's goal is 2,400 new residents by the year 2015 which is based on new construction.

The City Manager explained that the rehab loan recommendation would require an appropriation of General Fund money because Community Development Block Grant funds cannot be used for higher incomes.

Council Member Lea inquired if the Housing Plan addresses racially segregated housing in the City of Roanoke; whereupon, Mr. Townsend responded in the affirmative and advised that one of the issues is to identify a broader economic balance of housing so that there will not be certain neighborhoods with only low to moderate income housing minimums.

There being no further discussion, Ordinance No. 37317-022106 was adopted by the following vote:

AYES: Council Members Lea, McDaniel, Wishneff, Cutler and Vice-Mayor Fitzpatrick -----5.

NAYS: None-----0.

(Council Member Dowe and Mayor Harris were absent.)

PARKS AND RECREATION-PLANNING-ROANOKE VISION, COMPREHENSIVE DEVELOPMENT PLAN: Pursuant to instructions by the Council, the City Clerk having advertised a public hearing for Tuesday, February 21, 2006, at 7:00 p.m., or as soon thereafter as the matter may be heard, on the proposal of the City of Roanoke to amend Vision 2001-2020, the City's Comprehensive Plan, to include the Mill Mountain Park Management Plan, the matter was before the body.

Legal advertisement of the public hearing was published in *The Roanoke Times* on Monday, February 13, 2006, and Friday, February 17, 2006.

The City Planning Commission submitted a written report advising that over the years, there have been a variety of plans prepared regarding development or preservation of Mill Mountain Park, however, none were based upon an in-depth natural resource inventory; the City's Parks and Recreation Department and the Mill Mountain Advisory Committee developed a Management Plan based upon a detailed analysis of the natural, cultural and visual characteristics of Mill Mountain Park; and the Plan was largely developed through assistance of the Virginia Tech Landscape Architecture Department.

It was further advised that the purpose of the Management Plan is to guide the future management, maintenance and development of Mill Mountain Park and the Park's resources, to document current conditions, mission and history of the Park, and to use the information to develop Resource Management Zones (RMZ's) and a Trails Plan.

It was explained that Resource Management Zones classify various areas of the Park based on shared characteristics and common management concerns; and each Zone has a set of management recommendations that address such things as appropriate land uses and a development review process to evaluate the appropriateness of future development in each Zone.

It was further explained that the purpose of the Trails Plan component of the Management Plan is to provide a sustainable network of trails that will provide residents and visitors with opportunities to enjoy the natural environment in ways that will fulfill their physical, emotional, and spiritual needs, while protecting mountain resources; and the Plan recommends the primary use, location, and name of all existing and proposed future trails on Mill Mountain, and trail management, including maintenance, volunteer programs, resource protection, signage and education.

The City Planning Commission recommended approval of the following amendments:

- Figure 34 and Page 19 of the trails plan – colors incorrect on Bigg Sunny Trail;
- Page 47, add language to response on long-term conservation - “imposition of a conservation easement be explored and a report returned to the Planning Commission within a year of the adoption of the report by the Mill Mountain Advisory Committee”;
- Page 50, Section E, add language - “maintain and expand back planting along ridge lines”;
- Page 52, Section A, second line, before word vegetation, add words “low lying”;
- Page 53, add No. 6, “the department should explore opportunities as they develop to acquire adjacent parcels of land to add to the park if it supports the general precepts and mission of the plan”; and “Roanoke” is misspelled in Section One on the same page.
- Page 8 of Trails Plan, correct the location of Mill Mountain.

Council Member Cutler offered the following ordinance:

(#37318-022106) AN ORDINANCE approving the Mill Mountain Park Management Plan, and amending Vision 2001-2020, the City’s Comprehensive Plan, to include the Mill Mountain Park Management Plan; and dispensing with the second reading of this ordinance by title.

(For full text of ordinance, see Ordinance Book No. 70, Page 166.)

Council Member Cutler moved the adoption of Ordinance No. 37318-022106. The motion was seconded by Council Member Lea.

Council Member Cutler moved the adoption of Ordinance No. 37318-022106. The motion was seconded by Council Member Lea.

The Vice-Mayor inquired if there were persons present who would like to speak in connection with the matter; whereupon, the following persons addressed the Council:

Mr. Tom R. Brock, 5434 Peregrine Crest Circle, S. W., former Chair of the Roanoke Regional Chamber of Commerce, read an excerpt from the Chamber's 1997 Vision statement pertaining to Mill Mountain: "Make the region a destination for people to want to come to". He advised that citizens want the Roanoke Valley to be the kind of place where people want to visit and spend their time and money; Roanoke does a good job to promote conventions and certain events, but there is a need to advertise the region by linking various attractions and events, such as incline transportation up Mill Mountain to a restaurant, shops, or a museum on top of the mountain, or downtown Roanoke with some form of historic or futuristic transportation that could be linked with the Virginia Museum of Transportation, all of which could be ecologically compatible with the scenic nature of Mill Mountain; and the Plan should build on the unique experience of Explore Park. He stated that Mill Mountain is considered to be Roanoke's most valuable asset and, by itself, has the ability to potentially change the future of Roanoke if developed properly; and in order for development to become a reality, public transportation would have to be provided, therefore, he urged that serious consideration be given to any development on Mill Mountain.

Mr. Dale E. Wilkinson, 185 Park Drive, N. W., concurred in the remarks of the previous speaker with regard to the importance of Mill Mountain in the Roanoke Valley. He stated that he was not advocating any particular ideas for Mill Mountain and urged that the Council proceed cautiously in its approach to Mill Mountain.

Ms. Elizabeth Belcher, 1206 Kessler Mill Road, Salem, Virginia, spoke on behalf of the Trails Committee, a component of the Mill Mountain Management Plan. She expressed appreciation to the Roanoke Parks and Recreation Department for its leadership in recognizing the many opportunities on the Mountain for conservation and development of the 20 acres atop Mill Mountain. She congratulated the City of Roanoke, Roanoke County and the Roanoke Valley Convention and Visitors Bureau for pledging \$60,000.00 to attract the second annual U. S. Challenge to the Roanoke Valley. She expressed appreciation for the City's support of the Star Trail that was built in 1999 on Mill Mountain and the Roanoke River Greenway project which will connect to Explore Park and the Mill Mountain Greenway that was dedicated in September 2003 and will extend from the Roanoke River to the top of Mill Mountain.

Mr. E. Duane Howard, 1135 Wasena Avenue, S. W., advised that Mill Mountain is one of the greatest assets and the most valuable piece of property in the City of Roanoke. He stated that he relocated to Roanoke approximately nine years ago, even though there was not a great deal of night life in the City after 11:00 p.m., thus he took consolation that at any time during the night, he could

drive up to Mill Mountain to enjoy the spectacular view of the Roanoke Valley. He urged Council to reconsider closing the gates to Mill Mountain Park at 11:00 p.m., so that citizens and visitors may enjoy the benefit of Roanoke's greatest asset – an aerial view of the Roanoke Valley from the Mill Mountain Star.

There being no further speakers, the Mayor declared the public hearing closed.

Council Member Cutler asked that Mr. Howard's request regarding the closing of Mill Mountain Park at 11:00 p.m., be referred to the City Manager.

Council Member Cutler expressed appreciation to the Mill Mountain Advisory Committee for its persistence that the entire 568 acre park and not just the summit, be inventoried. He agreed with the consultants that new construction on Mill Mountain should be kept to a minimum, and advised that the summit of the Mountain is not the right place for major new structures, such as a museum which should be located in downtown Roanoke to add to the appeal created by the presence of the Market Building, the Market Square, the Farmers' Market and Center in the Square. He pointed out that it was approximately 100 years ago that the nationally famous landscape architect and City planner, John Nolen, recommended that Roanoke protect Mill Mountain and its river and stream corridors from adverse development, and City Council is prepared to take action to acknowledge the official sanction to Mr. Nolen's century-old and still-valid recommendation. He added that with adoption of the Mill Mountain Plan, the Council will officially acknowledge that the preservation of iconic views of Mill Mountain from downtown and the surrounding Valley require limitation of future development of the Mountain, just as Roanoke County is taking action to protect the summit of Read Mountain from adverse development. He stated that together, the City of Roanoke and Roanoke County are protecting the natural scenic heritage of the Roanoke Valley.

Council Member Cutler requested that specific management direction be adopted for each of the resource management zones identified in the Mill Mountain Park Plan, and that the City Code be amended to establish permitted uses and prohibited uses similar to those adopted for the Carvins Cove Natural Reserve several years ago. He spoke in support of the City Planning Commission's recommendation to include a provision that a report will be required within one year in response to the overlay of a conservation easement on portions of the Park. He acknowledged Vice-Mayor Fitzpatrick's interest in the revival of the incline and spoke in support of the conservation easement portion of the Plan that would reserve opportunities for construction of an incline and a mountaintop restaurant. He requested that specific management requirements for each of the Mill Mountain Management Zones be submitted in the form of an ordinance for adoption by Council.

Council Member McDaniel read the following e-mail from Ms. Liza Field, a supporter and user of Mill Mountain:

"I do not live in Roanoke, but grew up next to Mill Mountain. My mother walks it almost every morning at the crack of dawn. She will be at the Council meeting tonight, and since she does not "do" e-mail, I just wanted to express my/our/many people's gratitude for those who have slowed the various leaps to develop Mill Mountain. It is completely unusual, progressive, a rare and priceless thing to have a green, undeveloped mountain in the middle of a sprawling city. Its value lies not only in its vital roles or providing songbird habitat, wildlife range, an undisturbed watershed for the phenomenally important Crystal Spring, oxygen for Roanoke's trying to improve air quality, climate stabilizer and scenic beauty from below – but also in what does NOT exist there. People today (our tourists and residents alike) are starved for the chance to experience quietness, clean air, solitude and peace. I led a writing workshop on Mill Mountain in September 2005 and we were all amazed to observe so many people just sitting on a blanket, looking around, reading a book, walking quietly together, drawing, reading their Sunday school lesson for the next day's church service (both congregants and one preacher). I have seen groups go there to hike, picnic, pray, take naps under the oak trees, get their homework done, and just "to get away from home" (one man told me early one Thanksgiving morning). If we bring in restaurants, museums, more cars, parking, noise, exhausts, busyness and human "activities", we lose yet another precious respite from these things that cover every square inch of the land below. Roanokers (and those of us who now visit) do not need another thing to do, another commercial enterprise, another building full of manmade facts and figures and things to buy. We can do that absolutely everywhere else. Let's move toward that conservation easement, so that those who understand this vision, and how rare and undeveloped the place will be in 15 years – so rare we would pay millions of dollars to secure one -- can stop the wearisome task of having to oppose every new bright idea for developing the mountain."

Council Member Wishneff inquired if adoption of the Mill Mountain Park Management Plan would prohibit future decisions with regard to development on Mill Mountain; whereupon, Mr. Townsend responded that any plan could be amended by the Council.

There being no further discussion, Ordinance No. 37318-022106 was adopted by the following vote:

AYES: Council Members Lea, McDaniel, Wishneff, Cutler and Vice-Mayor Fitzpatrick-----5.

NAYS: None-----0.

(Council Member Dowe and Mayor Harris were absent.)

CITY CODE-FEE COMPENDIUM-ZONING: Pursuant to instructions by the Council, the City Clerk having advertised a public hearing for Tuesday, February 21, 2006, at 7:00 p.m., or as soon thereafter as the matter may be heard, on an amendment of the City's Fee Compendium to incorporate new zoning districts and associated filing fees, the matter was before the body.

Legal advertisement of the public hearing was published in *The Roanoke Times* on Monday, February 13, 2006.

The City Planning Commission submitted a written report advising that with Council's adoption of a new Zoning Ordinance and Official Zoning Map for the City of Roanoke on December 5, 2005, all zoning district designations were changed; and the existing Fee Compendium does not incorporate the new zoning districts and associated filing fees.

It was further advised that the proposed fee schedule incorporates all residential districts into one fee category and groups all overlay zones and special purpose districts into separate categories; all fees, with the exception of those fees associated with residential and overlay districts, are proposed to remain the same; overlay district filing fees have been raised to incorporate the new zoning overlay districts, however, the charge for acreage has been dropped; residential fees have been adjusted to reflect a common fee for both single family and multi-family filings; and fees are established in amounts to reflect generally the level of staff time to process applications, undertake analysis and compile staff reports.

The City Planning Commission recommended amendment of the Fee Compendium to reflect changes in the following fees:

Rezoning to Residential Districts RA, R-12, R-7, R-5, R-3, RM-1 RM-2, RMF	\$600.00 + \$25.00 per acre or any portion thereof
Rezoning to Commercial Districts CN, CG, CLS	\$900.00 + \$25.00 per acre or any portion thereof
Rezoning to Industrial Districts I1, I-2	\$900.00 + \$25.00 per acre or Any portion thereof
Rezoning to Special Purpose Districts D, Downtown MX, Mixed Use IN, Institutional District ROS, Recreation and Open Space AD, Airport Development	\$900.00 + \$25.00 per acre or any portion thereof

Rezoning to Planned Unit Development Districts

MXPUD, Mixed PUD	\$1,000.00 + \$25.00 per acre
INPUD, Institutional PUD	or any portion thereof
IPUD, Industrial PUD	

Rezoning to Overlay Districts

H-1, Historic Downtown	\$250.00
H-2, Neighborhood Historic	
ND, Neighborhood Design	
RCC, River and Creek Corridor	
CS, Comprehensive Sign	

Amendment to Proffered Conditions	\$500.00
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Council Member Lea offered the following ordinance:

(#37319-022106) AN ORDINANCE amending the Fee Compendium to reflect new zoning designations and associated fees; providing for an effective date; and dispensing with the second reading of this ordinance.

(For full text of ordinance, see Ordinance Book No. 70, Page 167.)

Council Member Lea moved the adoption of Ordinance No. 37319-022106. The motion was seconded by Council Member Cutler.

The Vice-Mayor inquired if there were persons present who would like to speak in connection with the aboverferenced amendment to the Fee Compendium. There being none, he declared the public hearing closed.

There being no questions or comments by Council Members, Ordinance No. 37319-022106 was adopted by the following vote:

AYES: Council Members Lea, McDaniel, Wishneff, Cutler and Vice-Mayor Fitzpatrick-----5.

NAYS: None-----0.

(Council Member Dowe and Mayor Harris were absent.)

CITY MARKET-CITY PROPERTY-LEASES: Pursuant to instructions by the Council, the City Clerk having advertised a public hearing for Tuesday, February 21, 2006, at 7:00 p.m., or as soon thereafter as the matter may be heard, on a proposal to lease City-owned property located at 32 Market Square, S. W., to Juan E. Garcia, d/b/a Paradiso Cuban Restaurant, to be used as a food service establishment, for a term of three years, commencing March 1, 2006, was before the body.

Legal advertisement of the public hearing was published in *The Roanoke Times* on Monday, February 13, 2006.

The City Manager submitted a communication advising that the City of Roanoke owns the City Market Building located at 32 Market Square; and the City of Roanoke began management of the Building on May 1, 2005, after the former management company, Advantis Real Estate, terminated the management contract for the property.

It was further advised that Juan E. Garcia, owner and operator of Paradiso Cuban Restaurant, has requested a lease agreement for approximately 190 square feet to operate a restaurant serving Cuban cuisine for a period of three years, beginning March 1, 2006 through February 28, 2009, and the proposed agreement establishes the following base rent:

Period	Per Square Foot	Monthly Rent Amount	Annual Rent Amount
3/1/06 - 8/31/06	\$36.47	\$577.44	\$3,464.65
9/1/06 - 2/28/07	\$28.00	\$443.33	\$2,660.00
3/1/07 - 2/29/08	\$28.84	\$456.63	\$5,479.60
3/1/08 - 2/28/09	\$29.71	\$470.33	\$5,643.99

It was explained that the initial two six month periods of the proposed rent provides a transition from the lease rate in Mr. Garcia's previously expired lease to the new per square foot rent structure that has been identified in the Market Building for food court tenants; the Common Area Maintenance fee is \$300.00 per month and will increase by three per cent upon each anniversary of the Lease; Paradiso Cuban Restaurant has been a tenant of the Market Building since November 1, 1995, and no renewal provision is included in the lease.

The City Manager recommended that she be authorized to execute a lease agreement with Juan E. Garcia, d/b/a Paradiso Cuban Restaurant, for approximately 190 square feet of space in the City Market Building, for a period of three years, beginning March 1, 2006 and ending on February 28, 2009, said lease documents to be subject to approval as to form by the City Attorney.

Council Member Cutler offered the following ordinance:

(#37320-022106) AN ORDINANCE authorizing the lease of approximately 190 square feet of space located within City-owned property known as the City Market Building, located at 32 Market Square, for a term of three (3) years beginning March 1, 2006, through February 28, 2009; authorizing the appropriate City officials to execute a lease agreement therefor; and dispensing with the second reading of this ordinance by title.

(For full text of ordinance, see Ordinance Book No. 70, Page 169.)

Council Member Cutler moved the adoption of Ordinance No. 37320-022106. The motion was seconded Council Member Lea.

The Vice-Mayor inquired if there were persons present who would like to speak in connection with the lease agreement. There being none, he declared the public hearing closed.

There being no questions or comments by Council Members, Ordinance No. 37320-022106 was adopted by the following vote:

AYES: Council Members Lea, McDaniel, Wishneff, Cutler and Vice-Mayor Fitzpatrick-----5.

NAYS: None-----0.

(Council Member Dowe and Mayor Harris were absent.)

YMCA-CITY PROPERTY-LEASES: Pursuant to instructions by the Council, the City Clerk having advertised a public hearing for Tuesday, February 21, 2006, at 7:00 p.m., or as soon thereafter as the matter may be heard, on the proposal to amend a lease agreement dated January 9, 2004, with the YMCA of Roanoke Valley, Inc., to include certain property located at the corner of 5th Street and Luck Avenue, S. W., the matter was before the body.

Legal advertisement of the public hearing was published in *The Roanoke Times* on Monday, February 13, 2006.

The City Manager submitted a communication advising that on December 24, 2002, Council entered into an Agreement with the YMCA of Roanoke Valley, Inc., to provide support for development and construction of a new YMCA facility in the West Church area of downtown Roanoke to accommodate an expanding number of YMCA programs and to replace the then current YMCA building located at the corner of Church Avenue and Fifth Street, S. W.

It was further advised that on January 9, 2004, Council entered into a lease with the YMCA of Roanoke Valley, Inc., to lease certain City properties to the YMCA; the lease provides that the City will lease to the YMCA Official Tax Nos. 1113408, 1113409, 1113410, 1113411, 1113412 and 1113413, lots located immediately north of the new YMCA building and currently being used by patrons of the YMCA; the lease provides that after the City receives from the YMCA three additional lots on which the old YMCA is located and most of the adjoining parking lot (Official Tax Nos. 1011206, 1011209, and 1011210), the City will lease the lots to the YMCA as well; and the lease specifically provides, however, that the lots will be leased to the YMCA only for the purpose of providing interim parking for patrons of the YMCA until a new structured parking facility can be constructed and operational.

It was stated that since execution of the lease, the City has acquired the properties necessary to build the new parking garage on the corner of 5th Street and Luck Avenue, S. W.; the City is nearing acquisition of Official Tax Nos. 1011206, 1011209 and 1011210; the YMCA has approached the City to amend the parking lease dated January 9, 2004, so that instead of the City leasing Official Tax Nos. 1011206, 1011209 and 1011210 to the YMCA, the City would lease Official Tax Nos. 1113512, 1113513, 1113514, 1113514 and 1113516 to the YMCA; and the alternative lots provide better access for patrons of the YMCA to the entrance off Luck Avenue.

It was explained that the amendment will allow the City to market the former YMCA site with sufficient surface parking adjacent to the structure to enhance the desirability of the site for development; annual revenue from the amended lease will be \$26,270.00 per year for both the City lots on 5th Street and Luck Avenue and 5th Street and Church Avenue; the YMCA will assume complete responsibility, liability and expenses related to operation of all leased lots; and terms and conditions of the original lease are applicable to the additional property contained in the amended lease.

The City Manager recommended that she be authorized to execute Amendment No. 1 to the lease agreement dated January 9, 2004, between the City of Roanoke and the YMCA of Roanoke Valley, Inc., to be approved as to form by the City Attorney, for lease of the above referenced City properties for the purpose of providing interim parking to patrons of the YMCA until a new public parking structure is constructed and operational in the West Church Avenue corridor of the City.

Council Member Cutler offered the following ordinance:

(#37321-022106) AN ORDINANCE authorizing the City Manager to execute Amendment No. 1 to the lease agreement dated January 9, 2004, between the YMCA of Roanoke Valley, Inc., and the City of Roanoke, for the lease of City-owned property identified as Official Tax Nos. 1113404, 1113409, 1113410, 1113411, 1113412, 1113413, 1113512, 1113513, 1113514, 1113515 and 1113516, upon certain terms and conditions; and dispensing with the second reading by title of this ordinance.

(For full text of ordinance, see Ordinance Book No. 70, Page 170.)

Council Member Cutler moved the adoption of Ordinance No. 37321-022106. The motion was seconded by Council Member Lea.

The Vice-Mayor inquired if there were persons present who would like to speak in connection with the lease agreement. There being none, he declared the public hearing closed.

There being no questions or comments by Council Members, Ordinance No. 37321-022106 was adopted by the following vote:

AYES: Council Members Lea, McDaniel, Wishneff, Cutler and Vice-Mayor Fitzpatrick-----5.

NAYS: None-----0.

(Council Member Dowe and Mayor Harris were absent.)

OTHER BUSINESS:

ARCHITECTURAL REVIEW BOARD: A petition filed by Dawn S. Waters, appealing a decision of the Architectural Review Board, which was rendered on December 8, 2005, that no Certificate of Appropriateness be issued with regard to property located at 377 Albemarle, S. W., for the replacement of windows, was before Council.

Mr. Derrico advised that his client was a tenant at the residence for several years prior to purchasing the property; she currently resides in the downstairs portion of the home and leases the upstairs portion for additional income; and due to deterioration, the original wooden windows of the house were replaced with thermo-paned vinyl windows.

Mr. Derrico further advised that prior to replacing the windows, his client was notified by the contractor that replacement windows would require a Certificate of Appropriateness by the City's Architectural Review Board; because his client was of the opinion that the appearance of the house would not be altered, the windows were replaced; and on November 17, 2005, a "Stop Work" notice was posted at the residence. He further advised that his client filed an application for a Certificate of Appropriateness with the Architectural Review Board on December 8, 2005, however, the application was denied because the windows did not meet the City's Historic District-2 guidelines.

Mr. Derrico presented photographs of the windows prior to installation and photographs of the work in progress, and noted that the replacement windows are energy efficient and do not appear to take away from the aesthetics of the community. He explained that the replacement windows represent 5.8 per cent of the value of the home, and if replaced with identical wood reproductions of the original windows, the cost would be between \$6,000.00 to \$12,000.00, or approximately 11.6 per cent of the value of the home. He explained that the reduction in size and window area is minimal and given the fact that the work is 80 to 90 per cent complete, he requested that Council overrule the decision of the Architectural Review Board and approve the use of thermo-paned vinyl windows.

Council Member McDaniel asked the following questions:

While shopping for replacement windows, did the seller or manufacturer offer any advice about obtaining a permit or contacting City staff?

Ms. Waters responded in the affirmative, but reiterated that she did not believe a permit was necessary.

Were you aware of previous cases in your neighborhood where improvements were made without prior approval from the Architectural Review Board?

Ms. Waters responded in the affirmative, and stated that unlike her neighbors who changed the entire appearance of their home, she was replacing the windows only.

Did you ever receive a mailing notifying you of the Historic District-2 guidelines for maintaining a home in a historic district?

Ms. Waters stated that she was aware of the requirements/guidelines for the Historic District.

On behalf of his client, Mr. Derrico stated that the issues before Council should be whether the windows are compatible with the neighborhood, whether the windows are so noticeably different that they take away from the value of home and the architectural integrity of the neighborhood, and whether replacement windows are in compliance with City Code requirements. He added that the decision of the Architectural Review Board should have been based on whether the windows are, or are not, compatible with the neighborhood and not based on whether the appropriate procedure was followed. He urged that Council reverse the decision of the Architectural Review Board.

Robert N. Richert, Vice-Chair, Architectural Review Board, advised that:

- On November 17, 2005, a citizen advised staff that original wood windows were being replaced at 377 Albemarle Avenue, S. W., which is within the H-2, Neighborhood Preservation District.
- The Agent to the Architectural Review Board (ARB) had a legal notice to "Stop Work" posted.
- Staff advised Ms. Waters that replacement of the windows required a Certificate of Appropriateness issued by the ARB. The manufacturer also required Ms. Waters to sign an agreement to contact the City of Roanoke to obtain the required permits.

- Ms. Waters filed an application for a Certificate of Appropriateness, which was considered by the Architectural Review Board on December 8, 2005, at which time staff recommended denial as the request was not consistent with the H-2 Guidelines because the replacement windows reduced the amount of window space and did not match the previous window size, shape and proportion.
- ARB members expressed concern about the design of the windows and stated that had the matter been brought to the Board before the work was done, the Board could have provided guidance.
- Ms. Waters thought the new windows would save money and that the new windows appeared the same as the original windows.
- During the ARB meeting, a representative of Old Southwest, Inc., the neighborhood civic organization, further stated that the application was not consistent with the guidelines and the window replacement was inappropriate.

Mr. Richert further advised that consideration by the Architectural Review Board included:

Section 36.2-331(c) of the Zoning Ordinance provides:

“In the H-2 Overlay District, a Certificate of Appropriateness (see Section 36.2-530) shall be required for the erection of any new structure, the demolition, moving, reconstruction, alteration, or restoration of any existing structure or historic landmark, including the installation or replacement of siding, or the reduction in the floor area of an existing building, including the enclosure or removal of a porch. A Certificate of Appropriateness shall not be required for ordinary maintenance, as defined in Section 36.2-530(b)(4), or in-kind replacement with the same materials, proportions and design. *The Zoning Administrator, in consultation with the Agent to the Architectural Review Board, shall determine whether an activity requires a Certificate of Appropriateness.*” (emphasis added).

- The H-2 Architectural Design Guidelines adopted by the ARB and endorsed by City Council state that windows are especially important in rehabilitations. Their size, shape, pattern, and architectural style not only provide architectural character, but also give a building much of its scale, rhythm, and detail.
- The Guidelines provide the following considerations for windows on historic buildings:
 - Identify and keep the original materials and features of windows, such as size, shape, glazing, muntins and moldings.
 - Consider new replacement windows only when old replacements are unavailable. New replacements should be compatible in size and shape, design, and proportion.

- Use storm windows to improve thermal efficiency of existing windows.
- Staff reviewed similar window replacement cases since January 2003, and found eight applications were approved where replacement windows had the same dimensions as the originals; during the same period, three applications were denied because the replacement windows did not maintain the correct proportions; one denied application was appealed to City Council on May 20, 2004, whereby City Council upheld the ARB's decision to deny the application.

Mr. Richert advised that the Architectural Review Board recommends that Council affirm its decision to deny the issuance of a Certificate of Appropriateness for replacement of wooden windows with thermal-paned vinyl windows at 377 Albemarle Avenue, S. W.

Council Member Wishneff inquired if the issue is wood versus vinyl replacement windows; whereupon, Mr. Richert responded that the ARB considers the glass area in the completed window to be the same as, or similar to, the original window, geometry of the window is more important than materials since certain materials may no longer be available for an original window replacement, many buildings in Old Southwest have storm windows covering original windows to protect the original portion of the structure; and ARB staff has the expertise to assist property owners upon request.

Council Member Wishneff inquired if measures could be taken to bring the windows into compliance with historic guidelines; whereupon, Mr. Richert stated that the issue pertains to the thickness of various parts of the window, mainly replacement of the upper and lower sash that provides more detail in separation of the facade of the window.

Based upon evidence, testimony and documents, Council Member Cutler moved that Council affirm the decision of the City of Roanoke Architectural Review Board, which was rendered on December 8, 2005, that no Certificate of Appropriateness be issued for the installation of replacement windows at 377 Albemarle Avenue, S. W., as set forth in the Petition of Appeal, on the grounds that the replacement windows are not consistent with the H-2 Guidelines, will reduce the amount of window space, are not the appropriate proportion or design, and are not architecturally compatible with structures in the H-2 Historic District. The motion was seconded by Council Member McDaniel and adopted by the following vote:

AYES: Council Members Lea, McDaniel, Wishneff, Cutler and Vice-Mayor Fitzpatrick-----5.

NAYS: None-----0.

(Council Member Dowe and Mayor Harris were absent.)

HEARING OF CITIZENS UPON PUBLIC MATTERS: The Vice-Mayor advised that Council sets this time as a priority for citizens to be heard and matters requiring referral to the City Manager will be referred immediately for response, recommendation or report to Council.

CITY PROPERTY-ECONOMIC DEVELOPMENT-COUNTRYSIDE GOLF COURSE: Valerie Garner, Chair, Countryside Neighborhood Alliance, advised that residents living on and around Countryside Golf Course have been blessed to witness some of God's most natural creations and precious gifts -- sunsets that take one's breath away, while giving one a perspective on life that no man's creation can match. She stated that it is true that this sunset provides no "tax base" for the City of Roanoke, but neither do the blue birds splashing in her bird bath and feeding their young in the adjacent house lining the fairway, or the downy woodpeckers living in the huge oak trees who trust her enough not to fly away when she approaches.

She further advised that at night, the area provides a haven away from City lights and allows residents to see the moon and stars; and Countryside is not just a golf course to residents living in the Peters Creek North area, but the only open space that provides residents with the "quality of life" and recreational space that is lacking in the Peters Creek North community. She added that The Hotel Roanoke lists Countryside Golf Course as a Roanoke City amenity and shuttles visitors to the Roanoke Valley to the area to play golf, as do the Clarion, Wyndham, and other hotels near the Airport; and First Tee youth also use facilities at Countryside.

Ms. Garner stated that the City of Roanoke has expressed dismay over the minimal lease dollars that it receives from Meadowbrook to manage the golf course; however, Countryside residents paid \$39,304.00 in real estate taxes and \$15,543.00 in personal property, business license, meals and sales taxes, for a total of \$54,847.00 for fiscal year 2005; and the City will receive only \$35,000.00 for leasing the property to Meadowbrook for the 2006 golf season; the City will pay the Roanoke Regional Airport Commission \$4,731.00, annually, for leasing the Airport owned property; and the City borrowed \$3,975,000.00 at 6.25 per cent interest to purchase the property.

Ms. Garner raised questions with regard to the extension of time that was provided to Toll Brothers to submit plans for Countryside, pursuant to a Request for Proposal. She highlighted certain existing conditions from the 2002 Airport Study, and after it was discovered that the Airport “noise contour” study would alter available building possibilities, in July 2003, the Airport Study was modified per the Department of Housing and Neighborhood Services.

Ms. Garner advised that according to the Lawrence Group study, the Virginia Department of Aviation, and the Federal Aviation Administration, a golf course is identified as one of the “compatible” land use options for property surrounding and at the end of an airport runway; and local government is the vehicle by which recommendations are supposed to be implemented using proper planning to protect the airport and citizens from improper land use, however, the City does not appear to care about the safety of citizens, or the traveling public.

She called attention to a January 2003 letter to the City Manager from the Executive Director of the Roanoke Regional Airport Commission in which she referred to a conversation with FAA officials that the lease with the golf club, which expires in 2008, was approved because it was determined to be compatible with primary use of the land as an airport clear zone. She stated that an airport such as Roanoke’s, which is comprised of fewer than 900 acres when the current desirable standard is closer to 2,000 acres, might be viewed as irresponsible if the airport released any of the acres that it owns, especially land dedicated to meeting safety needs of the traveling public.

Ms. Garner explained that residents were told that failure to renew the lease was based on safety issues and non-compliance by golf course owners to maintain the leased property; however there is no document to substantiate that a non-compliance complaint was made to golf course owners; and the reason for non-renewal of the lease was that no lease could be located, therefore, owners of the golf course did not have a golf course, and the City’s representatives on the Airport Commission should not enter into any negotiations to extend the lease beyond November 2008, which could jeopardize the City’s potential to purchase the property for a higher and better use.

Ms. Garner stated that on January 3, 2003, the City Manager advised the Executive Director of the Roanoke Regional Airport that the City of Roanoke was interested in obtaining the property, and requested that the Airport Commission not extend lease options in order to make the property available to the City. She stated that the Countryside Neighborhood Alliance extended an invitation to Efren Gonzales, Deputy Executive Director of Roanoke Regional Airport, and City staff to attend a meeting on January 10, 2006, the purpose of which was to discuss the Airport clear zone and to address protection of existing residences at the end of Runway 6, as well as those purchasing property in the future; and the already “agreed to” land swap between the City of Roanoke and the Airport Commission was not mentioned by any speaker during the meeting.

Ms. Garner referred to a letter addressed to the City Manager from the Airport Executive Director dated August 2, 2003, as well as the response from the City Manager dated September 1, 2003, advising that the arrangement was sealed, and the request was discussed with Council who was amenable to the transfer; and response to the Request for Proposal by Toll Brothers clearly indicates that the land swap was a "done deal."

In conclusion, Ms. Garner inquired as to why the Countryside property could not be left as a Municipal golf course for the enjoyment of all citizens of Roanoke. She advised that improvements to the golf course would enhance the quality of life of the surrounding community, the golf course is an attraction for residents living in the area, and to take away the golf course to construct as many homes as possible to increase the City's "tax base" will completely destroy the reason that residents chose to live in the area. She further advised that it is not too late for the City to do the right thing by the citizens of Roanoke, and especially citizens residing in the northwest community.

In closing, Ms. Garner stated that the existence of the Countryside Neighborhood Alliance is based on: *"Taking pride in a diverse community dedicated to maintaining our quality of life and the natural beauty of our surroundings"*. She questioned what will happen to the quality of life of residents of the Countryside area and the natural beauty of their surroundings.

With objection by Council, the Vice-Mayor requested that Ms. Garner forward a copy of her questions to the City Clerk for transmittal to the City Manager.

ARMORY/STADIUM-SCHOOLS: Mr. Phillip P. Wright, 1646 Center Hill Drive, S. W., expressed concern with regard to comments made by a Member of Council that the City of Roanoke should honor the recommendation of the Stadium Study Committee and demolish Victory Stadium. He read the following excerpt from the May 2, 2005, Council meeting in which a Member of Council stated that, "his vote would be based on his respect for the work of the Stadium Study Committee which was composed of a group of intelligent individuals who spent nine months on their assignment; Council must respect their recommendations and the City's Stadium Study Committee voted unanimously in support of a new stadium to be bounded by Franklin Road, Jefferson Street, Reserve Avenue and the Roanoke River."

Mr. Wright pointed out that while Recommendation No. A1 submitted by the Stadium Study Committee provided for the demolition of Victory Stadium, Recommendation A3 recommended construction of a new multi-purpose stadium with at least 15,000 seats and construction of day stadia at William Fleming and Patrick Henry High Schools, with no more than a 500 to 1,000 person seating capacity. He also referred to comments made by another Member of Council that the Council should respect the recommendations of the Stadium Study Committee

whose members had invested nine months of their time to the study, and although the Committee did not unanimously agree upon an athletic facility to be located along the Reserve Avenue corridor, the Committee reviewed construction of football stadia at each of the two high schools, which recommendation was voted down by a vote of five – two of the Council.

SCHOOLS-ARMORY/STADIUM: Ms. Alice P. Hincker, 4024 South Lake Drive, S. W., advised that Virginia's Freedom of Information Act is based on the presumption that all government meetings are open and available to the public; Roanoke City School Board members have routinely conducted public business through the exchange of e-mails for the purpose of establishing dialogue, reaching consensus, or furthering discussion, which is a violation of the Freedom of Information Act; and e-mails circulated among School Board Members with regard to high school stadia constitute an improper electronic meeting. She read excerpts of certain comments made by some members of the School Board and legal staff via e-mail which constitute a violation of the Virginia Freedom of Information Act.

The following persons also read portions of e-mails from School Board members and staff with regard to stadia at Patrick Henry and William Fleming High Schools:

Ms. Margaret Keyser, 2701 Guilford Avenue, S. W.
 Mr. Alan Scanlan, 1631 Center Hill Drive, S. W.
 Mr. Winfred Noell, 2743 Northview Drive, S. W.
 Mr. Flen Fleenor, 1738 Blair Road, S. W.

CITY GOVERNMENT-COMPLAINTS: Ms. Suzanne Osborne, 1702 Blair Road, S. W., stated that it is apparent after reading the above referenced e-mails that the School Board is not "on board" with the process leading to the construction of high school stadia. She stated that any citizen who condones the actions of the current City Council and City administration should vote for those candidates who are endorsed by the Mayor and the Vice-Mayor, and if citizens do not support the current City Council, they should vote for another slate of Council candidates.

COUNTRYSIDE GOLF COURSE: Ms. Susan Hall, 2237 Ranch Road, N. W., a resident of Countryside Estates, spoke to the advantages of living close to Countryside Golf Course, such as green space and the wonders of nature; however, the City's purchase of Countryside Golf Course for the purpose of constructing homes and businesses will cause certain critical choices to be made. She advised that the first priority should be maintain Countryside as an 18-hole golf course, or as a municipal golf course, and the second priority should be a nine hole golf course using the back nine of the present golf course, while retaining green space where homes are currently located. Prior to taking any further action, she urged that Council call for a traffic study and also take into consideration the wishes of property owners who enjoy living in the area.

CITY GOVERNMENT: Mr. John C. Kepley, 2909 Morrison Street, S. E., inquired about the current City Council's legacy to the citizens of Roanoke and how Members of Council will be remembered following their respective terms of office. He commented that some Members of Council will be remembered for their backroom politics which led to deception and hypocrisy, and advised that never in the history of the City of Roanoke has there been so much bitterness, anger, and wrath. He stated that Council does not listen to, nor care about the concerns, emotions and overall welfare of the citizens who elected them to office.

COUNTRYSIDE GOLF COURSE: Ms. Virginia B. Stuart, 3774 Laurel Ridge Road, N. W., advised that she has resided in Countryside Estates for approximately 23 years and is an active member of the newly formed Countryside Neighborhood Alliance. She stated that the Countryside Golf Course has been purchased by the City of Roanoke for construction of upscale housing; residents of Countryside have constructed attractive new homes, while others have upgraded existing homes in order to increase the value of their property; therefore, it is hoped that the City of Roanoke will value the input of residents with regard to any future development. As a long time resident of the Laurel Ridge Road area, she called attention to changes in the neighborhood, such as newly constructed homes on Laurel Ridge Road, an increase in traffic by vehicles traveling through the community to reach other destinations, and an increase in the number of children residing on Laurel Ridge Road who enjoy sleigh riding, bicycling, etc. She emphasized that the Countryside Neighborhood Alliance looks forward to providing input with regard to decisions pertaining to their community.

CITY PROPERTY-ARMORY/STADIUM: Mr. John Graybill, 2443 Tillett Road, S. W., advised that Victory Stadium was dedicated to the memory of Roanoke Valley veterans of World War II, however, because of negligence by the City, the Stadium has been allowed to deteriorate to its current state of disrepair. He further advised that some Members of Council have expressed concern with regard to Roanoke's students having to play football at other athletic venues, which could have been avoided if Victory Stadium had been properly maintained by the City.

ARMORY/STADIUM-SCHOOLS-COUNTRYSIDE GOLF COURSE: Mr. Chris Craft, 1501 East Gate Avenue, N. E., expressed concern with regard to action by Council to construct an athletic field at Patrick Henry High School, and acquisition by the City of Countryside Golf Course to construct upscale housing. He stated that the City of Roanoke is inconsiderate of patrons attending events at the Roanoke Civic Center inasmuch as there is a lack of parking spaces due to ongoing construction at the Civic Center. He expressed concern with regard to an increase in traffic at Valley View Mall due to incompleteness of the off-ramp at I-581 leading to Valley View Boulevard.

COUNTRYSIDE GOLF COURSE-ARMORY/STADIUM: Mr. Michael Higgins, 2267 Countryside Road, N. W., advised that his family moved to the Countryside area because of its natural beauty, and expressed concern with regard to the proposed construction by the City of upscale housing in the area. He stated that Victory Stadium should be renovated for the enjoyment of all citizens of Roanoke.

COUNTRYSIDE GOLF COURSE: Ms. Sarah Higgins, 2267 Countryside Road, N. W., spoke to the beauty of the Countryside area, and called attention to other available open space in the northwest section of Roanoke that could be developed for housing by the City. She stated that Countryside should continue to be used as a municipal golf course, indefinitely, and suggested that residents of the area be included in future planning by the City.

COMPLAINTS: Mr. Robert E. Gravely, 727 29th Street, N. W., expressed concern with regard to the overall condition of the City of Roanoke, the construction of a \$4.5 million Art Museum in downtown Roanoke, deteriorating vacant buildings for lease in the downtown area, Valley Metro buses that block traffic at Campbell Court during rush hour traffic, construction of upscale housing in the inner-city that the average citizen cannot afford to purchase, and the high cost of health and dental benefits for City employees. He called for a Federal investigation of actions taken by the Roanoke City Council and the City administration, the Roanoke Redevelopment and Housing Authority, and the Roanoke City School Board.

COUNTRYSIDE GOLF COURSE: Mr. Daniel M. Hale, Jr., 4425 Oleva Street, N. W., President, Miller Court, expressed appreciation for actions taken by the City to provide better living conditions for Roanoke's senior citizens. He stated that the Countryside area adjoins Miller Court, and advised that Miller Court and the Countryside Neighborhood Alliance encourage the City to continue to operate Countryside as a municipal golf course. He stated that all major cities throughout the Commonwealth of Virginia and the United States have municipal golf courses.

At 9:40 p.m., the Vice-Mayor declared the meeting in recess to be reconvened on Friday, March 3, 2006, at 8:30 a. m., in Room 159, Noel C. Taylor Municipal Building, 215 Church Avenue, S. W., for the Council's Annual Financial Planning Session.

The Tuesday, February 21, 2006, meeting of the Roanoke City Council reconvened on Friday, March 3, 2006, at 8:30 a.m., in Room 159, Noel C. Taylor Municipal Building, 215 Church Avenue, S. W., City of Roanoke, Virginia, for the Council's annual Financial Planning Session, with Mayor C. Nelson Harris presiding.

PRESENT: Council Members Sherman P. Lea, Brenda L. McDaniel, Brian J. Wishneff, M. Rupert Cutler, Alfred T. Dowe, Jr., and Mayor C. Nelson Harris-----6.

ABSENT: Vice-Mayor Beverly T. Fitzpatrick, Jr.-----1.

OFFICERS PRESENT: Darlene L. Burcham, City Manager; William M. Hackworth, City Attorney; Jesse A. Hall, Director of Finance; Mary F. Parker, City Clerk; Ann H. Shawver, Deputy Director of Finance; Sherman L. Stovall, Director, Office of Management and Budget; and Susan S. Lower, Director, Real Estate Valuation.

The Mayor advised that prior to engaging in the City's fiscal year budget study, the Council holds a Financial Planning Session each year which allows City staff to review basic information and financial projections; whereupon, he called on the City Manager and the Director of Finance for opening remarks.

The City Manager expressed appreciation to the Members of Council for taking time out of their busy schedules to conduct the annual Financial Planning Session. She stated that City staff devotes considerable time and effort to prepare the presentation; however, while staff sets the stage and provides the perimeters within which the City operates in terms of revenues and certain fixed expenses, the meeting is an important time for staff to hear comments by Council, as the City's elected officials, as to priorities that should be emphasized in the upcoming budget. She added that over the last two years, improvements have been made in the community that will, over time, help the City to continue to grow revenues; and the General Assembly is in the midst of the final week of a process that will "tweak" some of the revenues that will be discussed today. She called attention to positive signs with regard to the City's revenues for the future: for example, the number of downtown living units that are currently under design and/or construction, the City Market study which will soon be submitted in its final version that suggests a number of improvements, and other new housing construction currently taking place in the City. She advised that much of the City's local revenue, such as sales tax, meals tax, and hotel lodging taxes have increased, all of which are a part of the plan that has been in place for several years. She stated that there is no more significant activity for an elected body than the adoption of a budget, which is the blueprint for how the City will operate over the next year and in some instances over the next several years; therefore, she encouraged the Council to ask questions throughout the meeting because the process is a critical building block to the ultimate culmination in a budget that will be presented to the Council on April 17, 2006, for adoption in mid May.

The Director of Finance advised that most of the decisions made by Council have a certain element of financial impact; therefore, he stressed the importance of understanding the City's financial picture and future planning processes.

Agenda

- **FY 2006-07 Budget Development**
 - **Revenue – Outlook and Trends**
 - **Revenue – Specific Focus**
 - Real Estate Tax
 - Personal Property Tax Relief
 - Machinery and Tools
 - Telecommunications Tax
 - **Expenditures – Priority Expenditure List**
 - **Expenditures – Specific Focus**
 - Employee Compensation and Benefits
 - Other Post Employment Benefits

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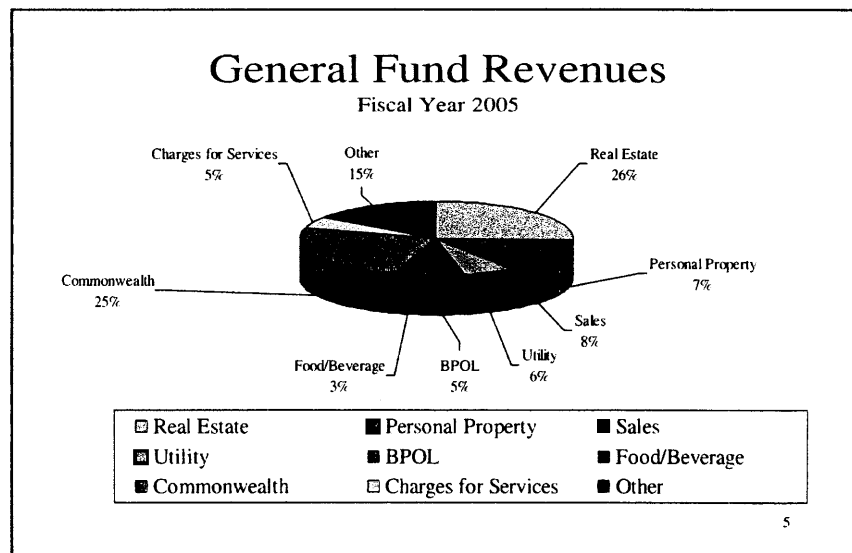
Agenda

- **Review Capital Projects**
 - Look to the Future**
 - Planned Bond Issuance
 - Existing Projects Requiring Additional Funding
 - Potential New Projects
- **Review Debt for Capital Projects**
 - **Current and Future Debt Service**
 - **Review Debt Capacity**
- **FY 2005-06 Budget Balancing Status**
 - **Current Gap**
 - **Options for Closing Gap**

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Sherman M. Stovall, Director, Office of Management and Budget, reviewed the above referenced agenda.

Ann H. Shawver, Deputy Director of Finance, advised that the budget process begins with the City's revenue estimates; and discussion would include overall revenues, growth revenues for fiscal year 2007, and real estate and the real estate process.



She advised that the City's real estate tax makes up approximately one quarter of total General Fund revenues, as do revenues from the Commonwealth of Virginia, which are at about 25 per cent; and key local taxes for the City of Roanoke are depicted on the above referenced chart.

Projected Revenue Growth – FY 2007 Revenue Estimates		
Category	\$ Growth	% Growth
Real Estate Tax	\$6,014,000	9.3%
Personal Property Tax	2,175,000	9.3%
Sales Tax	1,325,000	6.9%
Business License Tax	695,000	6.0%
Prepared Food Tax	428,000	4.2%
Transient Lodging Tax	277,000	12.3%
Other Local Taxes	(467,000)	(1.7%)
Intergovernmental	5,683,000	11.4%
Charges for Services	(327,000)	(2.9%)
Other Revenues	<u>54,000</u>	1.5%
Total	\$15,857,000	7.1%

Growth in FY 2007 Recommended Revenue estimate as compared to FY 2006 Adopted Estimate.

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The above information depicts current expected revenue growth based on the City's current estimate for fiscal year 2007; a total of approximately \$15.9 million represents the dollars of growth between the fiscal year 2006 adopted budget and the fiscal year 2007 revenue estimates as currently charted. The City's total growth is at 7.1 per cent; total revenue estimate at this point for fiscal year 2007 is approximately \$240 million; the key to the overall growth at 7.1 per cent can be seen in the real estate category; real estate is expected to grow approximately nine per cent next year, which includes the current year, as well as delinquent collections in the districts for downtown and the Williamson Road area. Six million dollars will be shared on roughly a one-third and two-thirds basis

between Roanoke City Public Schools and the City of Roanoke. Personal Property Tax is expected to generate additional revenues based on today's estimate of about \$2.2 million going into fiscal year 2007, or 9.3 per cent. Personal property tax is due on May 31st, personal property is the City's most difficult tax in terms of where the City is now in the fiscal year, because the City begins with a revenue estimate as early as December, and monitors performance of the tax by working with the Commissioner of the Revenue's Office through the May process to refine the estimate. The current estimate for personal property tax is predicated on performance that was actually achieved in fiscal year 2005, which was a strong performing year, with about ten per cent growth over the prior year, and it has been assumed that the tax will grow based on long term performance over a five - ten year tax period; growth would provide the City with a typical growth of about two per cent every year, thus the \$2.2 million, or 9.3 per cent growth. In working with the Commissioner of the Revenue's Office, certain peer localities around the state use National Automobile Dealers Association (NADA) values; it appears that the personal property tax will most likely have to be adjusted downward; and there is a two to two and one half per cent decline in the vehicular side of the tax, which is a significant portion of the tax. Based on discussions with officials of Roanoke County, the County is experiencing similar circumstances, and staff works diligently to obtain additional information to perform analytical reviews as appropriate, and sometimes it is necessary to modify those types of estimates.

Approximately 36 per cent goes to Roanoke City Public Schools based on the current funding formula. Sales tax is a significant revenue to the City of Roanoke; the current year is performing well in light of the estimate, growth is moving along at 3 1/2 to 4 per cent compared to the prior year; and growth projections for next year expect continued growth at about three per cent which will bring an additional \$1.3 million to the City's revenue estimates. Intergovernmental will provide about \$5.7 million in new revenues next year, or 11.4 per cent, which is a significant percentage growth. There has been a recalculation of the formula for fiscal year 2007 for House Bill 599, Local Law Enforcement funding, and currently the City of Roanoke stands to significantly benefit with additional revenue of about \$1.6 million in 2007, however, the formula takes into consideration certain crime statistics and welfare-type statistics that are not the type of indicators that the City would like; approximately one half million dollars in additional street maintenance funds are anticipated for next year; the social services category is projected to grow significantly, or about \$3.7 million, however, there is a local match on the expenditure side toward costs that continue to grow. The City has seen good growth on current year revenues, the prepared food tax has seen a revenue growth of four to five per cent over the last several years; and the business license tax performed well last year with a growth of about four per cent.

The City Manager advised that an important point to recap with regard to Intergovernmental is that out of the \$5.6 million, approximately \$4.3 million is termed non-discretionary, or represents money that the City is required to spend on street maintenance or social service programs, or funds that are already

committed. Therefore, she stated that when talking about discretionary versus non-discretionary activity, the figure looks good initially, but when one realizes that the funds are already obligated to certain programs, some of the euphoria disappears.

Council Member Dowe inquired as to how the 36 per cent funding formula between the City and the School system was derived.

The City Manager advised that the funding formula was developed many years ago based on local revenue growth, excluding any growth in non-discretionary items. She stated that certain other localities have funding formulas that were drafted specifically for their locality; the genesis of the City's 36 per cent funding formula is not known, however, it is believed that it is time to reevaluate the funding formula, particularly in light of the fact that it does not take into account the City's obligations and commitments on debt service, but is based strictly on the operating side of the budget; and as the City has funded some very significant school improvements and will continue to do so over the next six years, City staff believes that debt commitment should be taken into consideration, however, staff is not prepared at this point to propose a new funding formula. She called attention to preliminary discussions with school counterparts who have been receptive in acknowledging that the City has made a significant investment, not only on the operating side of the budget, but with regard to debt service.

Council Member Lea inquired about reasons for the decline in personal property revenues.

The Director of Finance advised that beginning eight or nine years ago, personal property taxes started to decline each year, and business personal property is also included in the personal property tax base along with the machinery and tools tax. He stated that the National Automotive Dealers Association (NADA) provides a service to localities in the way of an automated assessment on car values which is used by Commissioner of the Revenue; with the trend in recent years of heavy discounts on new automobiles, the value of used cars went down and approximately three years ago NADA adjusted new car values; and the adjustment downward in used car values had a negative impact on personal property tax. He stated that working with the Commissioner of the Revenue, the City emphasized the importance of matching up the City's assessment of vehicles on file with Division of Motor Vehicles files on a regular basis, which yielded a ten per cent growth in the City's personal property tax in fiscal year 2005; figures for personal property tax for fiscal year 2006 have not been received, revenue estimates are being developed, and staff is basing its judgment on fiscal year 2005 trends and is now at the point in the fiscal year where details are available in the database to begin to make an analysis based on facts, rather than judgment from previous years growth; and there appears to be another decline.

The City Manager advised that currently the General Assembly is looking at the definition of machinery and tools and trying to make adjustments for what is referred to as idle machinery. She explained that currently localities receive a certain value on machinery and tools, whether or not the equipment is in use, and it is possible that the City could be impacted even further in the personal property category if the General Assembly changes the definition.

Council Member Cutler inquired if Federal funds are received under the Intergovernmental category; whereupon, Ms. Shawver advised that approximately \$40,000.00 represents Federal funds.

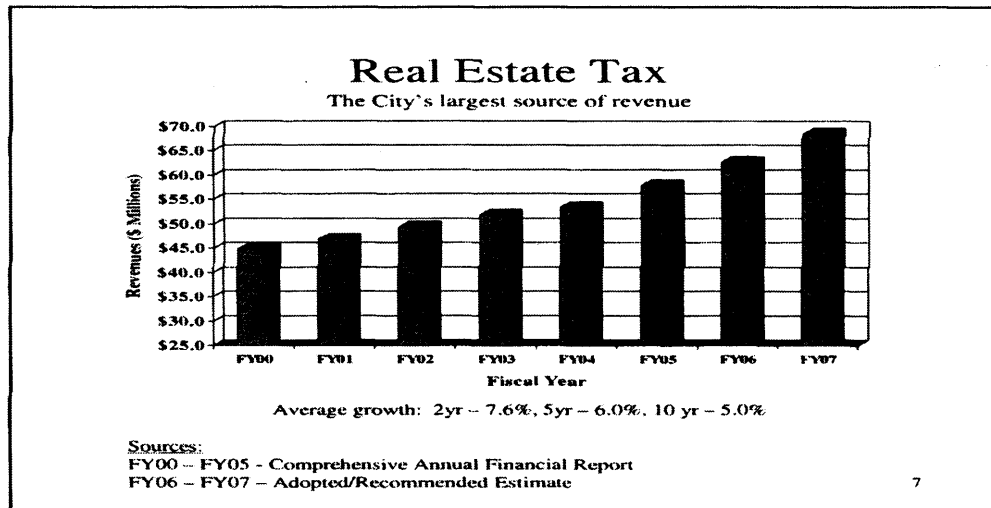
Council Member Cutler advised that almost all Federal money comes through the State; therefore, why do Other Local Taxes and Charges for Services show that a percentage of the dollar growth is in decline?

Ms. Shawver explained that the Other Local Tax category includes such items as the admissions tax, the bank stock tax and a variety of small or local taxes, but the majority of the decrease is in the public service corporation category which is imposed on public utilities through the State Corporation Commission, and the City's trends basically represent a decline from fiscal year 2006 to 2007. She stated that the category seems to fluxuate upward and downward from year to year; it can fluxuate downward based on the valuation of real property and personal property; real property tends to continue moving upward, personal property can sometimes fluxuate downward based on the valuation and the age of items that are held by those types of businesses; it can also be impacted from year to year by the timing of assessments in the spring for personal property and corrections that might result in the following year; therefore, it is a revenue where erratic growth and decline can be seen in the categories that are declining, the largest of which is in the social services area, and relates to a decline in what the City receives from the citizen pay or private pay component. She added that a decline is expected in public safety and recreational programs for the fiscal year 2007 budget compared to the fiscal year 2006 budget.

Council Member Dowe inquired about funding for future recommendations of the City's Domestic Violence Task Force.

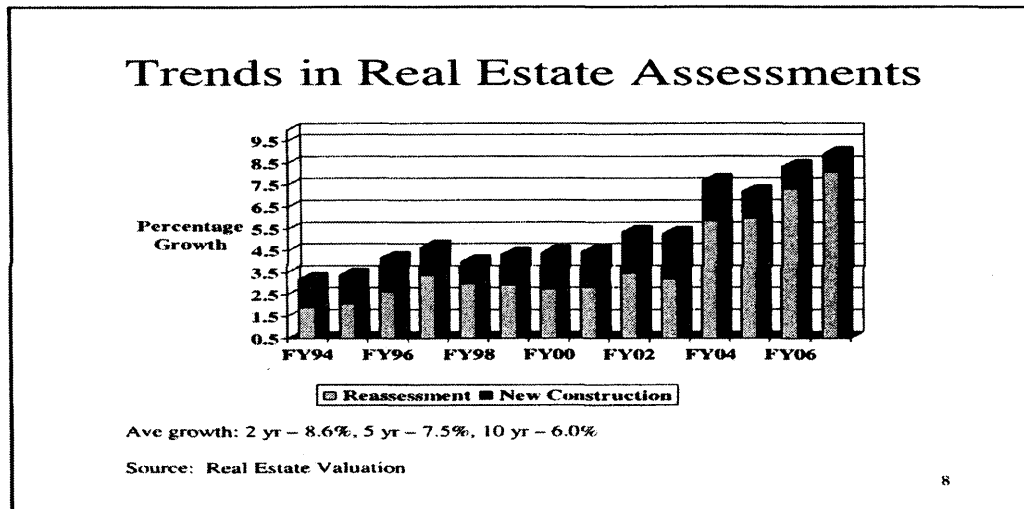
The City Manager advised that there are certain significant challenges to the City of Roanoke, not the least of which is the disadvantaged population; and when comparing Roanoke to the other 15 member localities of Virginia First Cities, which are in the category of older and oftentimes distressed communities, Roanoke generally ranks about fifth in population in expenditures in the various categories, with the exception of the Comprehensive Services Act for Children which puts the City of Roanoke in third place. She stated that Roanoke has extraordinary expenses when it comes to dealing with the special needs population of young people, and many of those young people in the past have been warehoused, or sent outside the region, or outside the State, to expensive treatment facilities that have not always benefited the child and the family, and

there are other concerns if problems in the family to which the child must eventually return are not addressed. Additionally, she stated that there are a large number of children who are turned over to the City by their parents on a voluntary basis, and the courts willingly offer the custody of the children to social services; there is a need to have different programs in the community to keep these children in their home community that could, over time, be less expensive; currently, the City is spending unbelievable amounts of money on a very large foster care population, and the City is responsible for those young people once they are placed into custody until they reach the age of 18, unless the City is able to return the child to the family. She advised that study groups have been appointed in recent months to address the issue, there are specific examples in recent months where people have tried to bring or to keep children in the home community that often times involve the school system which sometimes initiates the need for a child to be placed outside of the community due to the special education needs, and the City is working with the school system to identify the responsibility of the schools for the financial component. She explained that this is an area that will cost more money in the future until the right programs are in place, and over time there should be a reduction in expenditures, with more children remaining in their own homes. She stated that this is one area that is in great need of some additional resources, and at the March 20 meeting, Council will be requested to appropriate additional State money for the Comprehensive Services Act.



Ms. Shawver advised that the real estate tax is the largest revenue source for the City of Roanoke, and is a tax that has seen a fair amount of growth in recent years. The abovereferenced chart is a graph of real estate tax actual revenue through fiscal year 2005, the current revenue estimate in fiscal year 2006 and the estimate that will be submitted to Council for adoption based on the current tax rate and the assessment that the Director of Real Estate Valuation has prepared

for fiscal year 2007. There is a nine per cent growth in the current fiscal year; last year the City's financial records were closed with about 8 ½ per cent growth; and there is an upward trend in recent years with the tax. According to a recent newspaper article, home prices in the fourth quarter of calendar year 2005 are about 13 per cent higher than in the fourth quarter of 2004.



The above chart breaks down assessment activity between reassessments and new construction, and reassessment is where a change has been seen in a ten year history of assessment activity in recent years; the City's reassessments have been in the six, seven and eight per cent range, whereas in years past, reassessment was more like two or two and one-half per cent, and the strong increase in value during the last couple of years contributes to the higher growth that has been seen in the last few years. The real variability tends to be in new assessment, with regard to slides 7 and 8, the average growth will look somewhat different because reassessment data uses averages through 2007, whereas on the real estate slide, averages are through fiscal year 2005 which is the most recently completed year.

Real Estate Growth

- Value of 1 cent real estate in FY07 - \$567,000
 - City's share: \$360,500
 - Schools' share: \$206,500
- New revenue in FY07 based on 9% increase in assessments - \$5.6 million
- New revenue which would be achieved from typical increases:
 - Based on 10 year average growth (5%) - \$3.1 million
 - Based on 5 year average growth (6%) - \$3.8 million

Ms. Shawver advised that Council has requested the City administration to examine a budget for fiscal year 2007 that would consider a reduction in real estate taxes; in today's assessed market, one penny of real estate tax equals \$567,000.00, or approximately \$361,000.00 for the City and approximately \$207,000.00 for the schools based on the funding formula previously discussed. New revenue to fiscal year 2007 based on the expected increase is \$5.6 million, and new revenue on a ten year average growth, which averages about five per cent, is \$3.1 million, and six per cent would average \$3.8 million, so there is roughly a \$2-2 ½ million impact in actual revenue on new revenue to the City and the School budget based on the current type of growth versus that which is more representative of what should be expected over the long term.

Real Estate Assessments

- **Code of Virginia**
 - Requires that all real property be assessed for taxation at **100% of market value**.
- **City Code**
 - Roanoke assesses real property on an annual basis.
 - Roanoke notifies property owners each January of assessed values. This notification establishes assessments for the tax payments due October 5th of that year and April 5th of the next year.
- **Market Value**
 - Market value is defined as the amount a typical, well-informed purchaser would be willing to pay for a property.

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Susan S. Lower, Director, Real Estate Valuation, advised that a general reassessment of property is authorized by State Code; the Director of Real Estate Valuation is required to appraise all property in the City at 100 per cent of market value; annual assessments are performed in the City of Roanoke, citizens are notified each January, and bills are due on October 5th and April 5th of each year. Market value is defined as the amount of money that a well-informed purchaser would be willing to pay for a piece of property; and approximately 4,000 sales took place in the City of Roanoke this year.

The Assessment Process

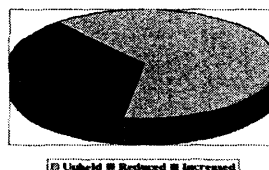
- **Assessment notices mailed January 3rd**
- **Deadline for appeals February 1st**
 - In 2006, 1,862 contacts were made by citizens calling or visiting Real Estate Valuation
 - 331 of these filed formal appeals; the remaining were resolved through discussions with staff
 - In 2005, 1,542 contacts were made by citizens and 419 appeals were filed
- **Board of Equalization**
 - Board members are appointed by the Circuit Court
 - Meetings convene in Spring to analyze property values

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Ms. Lower advised that in January of each year, citizens of Roanoke receive their annual real property assessment; during the month of January, staff responds to inquiries by citizens with regard to their annual assessment; in 2006, 1,862 persons contacted the Office of Real Estate Valuation either by telephone, walk-in, on-line, e-mail, etc, and of the 1,800 people, only 331 persons filed a formal appeal with the Board of Equalization prior to the April 5th deadline.

Roanoke Board of Equalization Results

- In 2005, the Board of Equalization heard 99 appeals:
 - 63 assessments were upheld
 - 34 assessments were decreased
 - 2 assessments were increased
- The BOE changes reduced the value of the properties included within their review by less than 2%.



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Ms. Lower advised that in 2005, the Board of Equalization received 99 appeals, 63 of which were upheld and the key point is that with 99 appeals, decisions of the Board of Equalization changed less than two per cent.

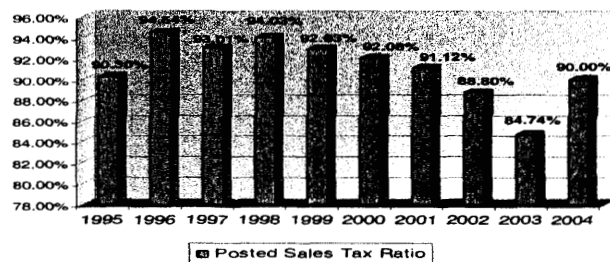
Sales Ratio

- The ratio of an appraisal or assessed value to the sale price or adjusted sale price of a property.
 - » Assessment = \$140,000
 - » Sale Price = \$150,000
 - » Sales Ratio = 93 % ($\$140,000 / \$150,000 = .93$)

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Ms. Lower advised that sales ratio is defined by the assessment value divided by the sale price; and the sales ratio is an indicator of the percentage of market value for which the property is actually assessed.

Roanoke's Sales Ratio as Measured by the Department of Taxation



Source: Virginia Department of Taxation. 14

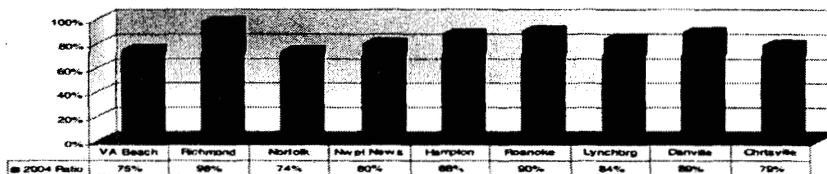
Ms. Lower advised that the above chart shows a history of Roanoke for the past ten years and in stable times, the City's ratios tend to be stable as well.

The Director of Finance advised that every locality is required to submit specific data and the State Department of Taxation computes the locality's sales.

Ms. Lower advised that the sales ratio is tied to the school funding distribution formula and all properties of public service corporations are appraised by the State Corporation Commission which is tied to the sales ratio as well.

Mr. Hall clarified that public service companies include railroad, except railroad property, electric, gas and telecommunications companies that are assessed by the State Corporation Commission, and the Department of Taxation assesses railroad properties; and once the City receives the assessed value, the City must apply its sales ratios to the assessed value to determine taxation value; therefore, the sales ratio is extremely important to the school funding formula as to how much money the City will receive from the State in school funds.

Department of Taxation 2004 Assessment to Sales Ratio Results



Roanoke County Assessment to Sales Ratio was 88%
Salem Assessment to Sales Ratio was 78%

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Ms. Lower advised that the above chart gives a picture of how Roanoke compares with other localities around the Commonwealth of Virginia; and Tidewater localities are experiencing low sales due to an active market.

Reassessment Increases in Virginia

Locality	Reassessment %	Cycle	Effective Date
Roanoke	8.11%	Annual	July 1, 2006 (Projected)
Hampton	20.6%	Annual	July 1, 2005
Lynchburg	5.8% *	Biennial	July 1, 2005
Newport News	14.23%	Annual	July 1, 2005
Norfolk	20.0%	Annual	July 1, 2006 (Projected)
Portsmouth	13.40%	Annual	July 1, 2005
Richmond	13.50%	Annual	July 1, 2005

* Lynchburg reassesses biennially, therefore amount is adjusted to reflect annualized basis.

Note: Roanoke County projects an annual increase of 8.01% effective July 1, 2006. Salem increased by 5.7% as of July 1, 2005. Their reassessment cycle is biennial.

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Ms. Lower advised that Roanoke's reassessment percentage is at 8.11; Roanoke is a growing community and is no different than any other city throughout the Commonwealth of Virginia with increases in reassessment, which is a good indication that the City's neighborhoods and businesses are strong and growing.

The City Manager advised that the price of the average home in the Tidewater area, according to a recent newspaper article, is \$290,000.00; the average assessment in Roanoke is approximately \$110,000.00 which is up over the last several years; and the average price of a home in the Roanoke region is between \$165,000.00 and \$170,000.00

In summary, the Director of Finance advised that Council Members receive numerous comments with regard to the amount of increase in property reassessments, and the purpose of the discussion was to point out that there are guidelines that dictate how reassessments are conducted in the City and the process for independent review.

With regard to the School funding formula, Council Member Wishneff requested that the City Manager provide information on the percentage of funding if debt service is included.

The City Manager advised that a later slide will show the amount of funds that the City provides toward school debt, as well as the amount of funds that the School system allocates toward debt service; and to this point a percentage has not been applied, but could be calculated by City staff.

Council Member Wishneff requested a breakdown by neighborhood or by census tract of real estate reassessment increases.

Real Estate Tax – After Reassessment

Based on current average assessed value of \$109,969 and value of \$118,887 after reassessment for a single family home.

	Tax (Reassessed Value)	Tax (Current Value)	Change
Current Tax Rate	\$1,439	\$1,331	\$108
Reduction of \$.01	\$1,426	\$1,331	\$95
Change			\$13

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The Director of Finance advised that as the City Manager previously stated, the average value of a single family home in Roanoke is about \$110,000.00; when calculating the increase in the real estate tax created by the reassessment increase, or the 8.11 per cent reassessment increase that will be effective next year, a \$110,000.00 homeowner will pay an additional \$108.00 due to their property reassessment increase; and if the real estate tax is reduced by one penny, that same homeowner would pay an additional \$95.00 in taxes, or a difference of \$13.00.

Value of Tax Relief

Program	Value of Relief	Value of Relief Per Property
Elderly Tax Freeze	\$526,410	\$329
Disabled Tax Freeze	120,168	\$279
Agricultural Tax Freeze	52,797	\$3,771
Rehabilitation Tax Freeze	578,318	\$2,360
Total Relief	\$1,277,693	

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Elderly and Disabled Tax Relief Program

	Income Limit	Net Worth Limit
State Code	\$50,000	\$200,000
Roanoke	\$30,000	\$100,000
Hampton	\$30,000	\$100,000
Lynchburg	\$30,000	\$60,000
Newport News	\$50,000	\$200,000
Norfolk	\$50,000	\$200,000
Portsmouth	\$19,000	\$64,200
Richmond	\$40,000	\$100,000

City of Roanoke Median Household Income - \$31,451

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The Director of Finance advised that the City has initiated a number of tax relief programs for Roanoke's citizens, one of which is the Elderly and Disabled Tax Relief Program; the elderly tax freeze is at about \$526,000.00 and relief per property is about \$330.00. Another program is the agricultural tax freeze and the list of properties has declined over the years due to development in the City; and the Rehab Tax Freeze Program which involves a tax abatement on the value of property improvements.

Council Member Cutler inquired if tax relief is provided for programs such as Cradle to Cradle houses or energy conservation/environment projects.

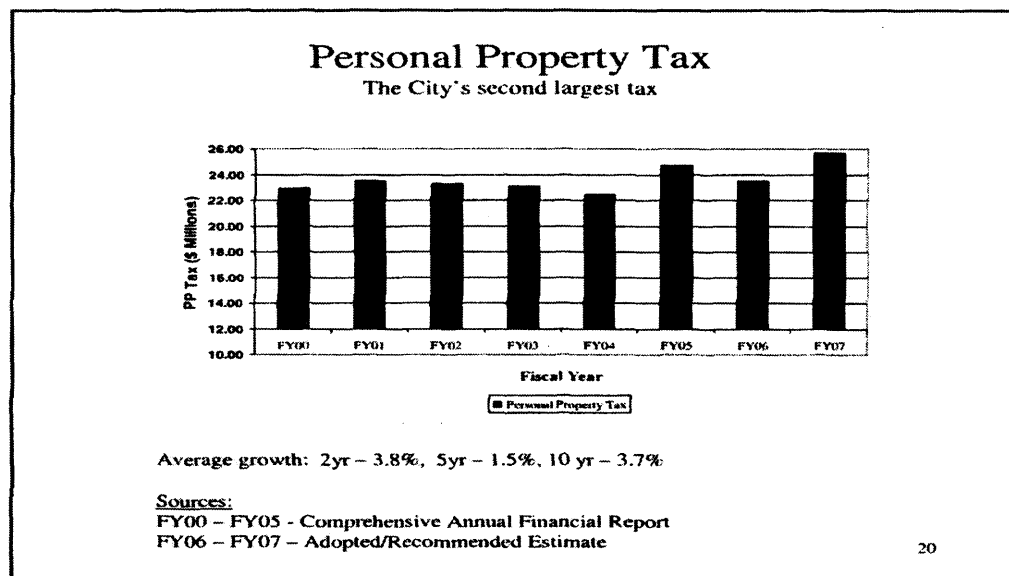
The City Manager advised that Senator John S. Edwards was successful, for the second year in a row, with regard to passage of a Constitutional amendment that will be included on the November ballot to allow communities like Roanoke to offer, at their choice, tax relief for new construction. She further advised that the request of Council to look at energy efficiency as an issue was taken to the General Assembly, but was not submitted in the form of a bill, and has now been forwarded to the Department of Housing and Community Development for review of the types of options the State should offer in the future; and if the Constitutional amendment is passed, it is possible if the City were to locate a piece of property on which it wanted to construct a Cradle to Cradle home, taxes could be abated. She called attention to Miller Court which is under renovation by the Roanoke Redevelopment and Housing Authority in the 400 block of Day Avenue, S. W., where a combination of the City's tax abatement program, tax credits, and low interest mortgage rates were used to break down a significant portion of the mortgage in order to make the home more affordable to a certain category of persons or income level.

Mr. Hall advised that it has been three – four years since income limits were adjusted for persons who qualify under the Elderly and Disabled Tax Freeze Program; the median household income for Roanoke is about \$31,500.00 and the matter has been referred to fiscal year 2007 budget study for review and recommendation. He stated that Roanoke is below the State average and the national average.

Council Member Wishneff inquired as to the number of elderly citizens who have a larger household income than \$30,000.00 and a net worth greater than \$100,000.00.

The City Manager stated that the numbers could be obtained from the Commissioner of the Revenue. However, she pointed out that there are many people who are actively working, who have families, who may have more expenses than some retirees and are living on \$31,000.00 per year or less, therefore, it is a challenge to determine what should be the income limit for a person who is retired or disabled, versus the income of an active person in the work environment. In terms of household net worth, she stated that there are no available statistics from the Weldon Cooper Institute on household net worths, and the issue could be addressed by the Commissioner of the Revenue in terms of the number of people who have been denied the benefit because their net worth exceeded \$100,000.00.

Council Member Wishneff requested information on the impact to the fiscal year 2007 budget if the income limit is increased to \$50,000.00 and net worth is increased to \$200,000.00; whereupon, the City Manager advised that the information could be provided if certain assumptions are allowed to be made by staff.



Ms. Shawver discussed the personal property tax which is the City's second largest tax, and sales tax as well as certain legislative initiatives that are currently under consideration by the General Assembly. Personal property is a tax where there has been either a flat growth or some declines in prior years; in 2002, the tax dropped about one per cent, it dropped another one per cent in 2003, it dropped two and one-half per cent in 2004, and in 2005, the tax dropped by almost ten per cent. The fiscal year 2006 adopted estimate was actually lower than the revenue the City achieved in 2005; there should not be any problem in meeting the 2006 estimate and now that newer data is available, the fiscal year 2007 estimate will be revised downward to almost the same level as fiscal year 2005.

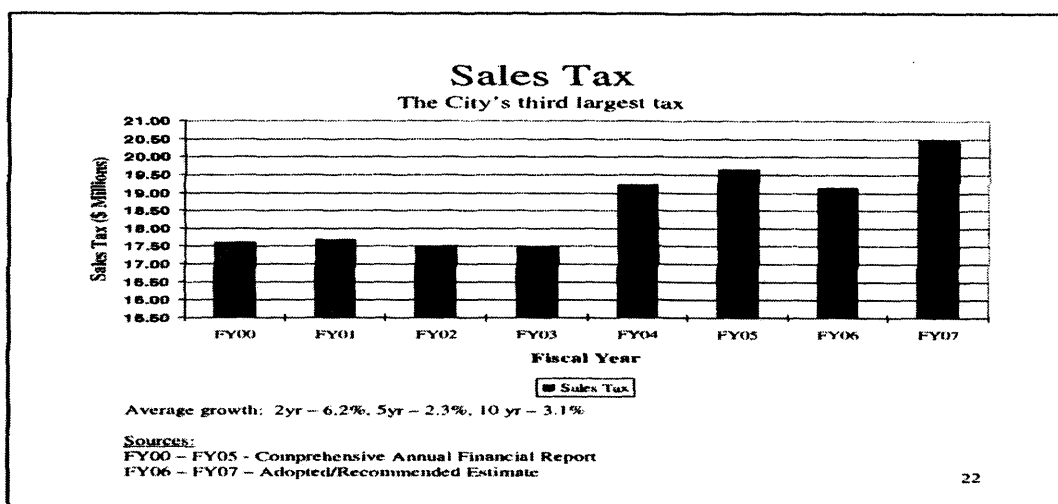
Revisions to the Personal Property Tax Relief Act (PPTRA)

- Caps PPTRA reimbursement at \$950M for tax years 2006 and beyond (proposal to increase to \$1B)
- Localities were informed this week of their share of this total – Roanoke's share - \$8,076,000.
- Council adopted an ordinance to allocate relief to Roanoke taxpayers using the Specific (percentage) Relief Method
 - similar to method currently in use
 - Vehicles valued at and under \$1,000 continue to be fully exempt
- Responsibility shifts to localities to ensure percentage is correctly computed to ensure revenue neutrality upon cap of State funding
 - Staff currently working on growth trends to determine appropriate percentage to use on 2006 tax bills
- Reduction in cash flow during summer months based on changes in reimbursement schedule
 - Impact to Roanoke is loss of interest income of \$45,000

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Ms. Shawver advised that the Personal Property Tax Relief Act (PPTRA) was originally enacted in the late 1990's, with the intent of the General Assembly to fully phase out the tax for individuals owning vehicles valued at \$20,000.00 or less, that did not happen and the most recent changes in the Act will be reviewed; Council adopted an ordinance last year with regard to how the City of Roanoke will handle PPTRA, and within approximately the next six weeks citizens will receive their tax bills. Legislation that was adopted by the Commonwealth of Virginia related to the Personal Property Tax Relief Act provides that rather than the State contributing 70 per cent of relief each year to localities in Virginia based on qualifying vehicles, the State will cap the amount at \$950 million across the entire Commonwealth of Virginia. Localities have submitted data regarding their 2004 tax year, and data was provided so that the State could inform localities as to their share of the \$950 million, using the calendar year 2004 as a basis for the determination. The City of Roanoke's share is approximately \$8,076,000.00 which, unless changed, will be the flat amount that is provided by the Commonwealth of Virginia in tax years 2006 and thereafter. There were choices in Council's adopted ordinance as to how the most recent changes would be implemented; Council adopted an ordinance that calls for a percentage allocation concept, so that the \$8,076,000.00 will be distributed among Roanoke's citizens

and the tax bill will show an amount of relief to citizens in terms of a percentage that is considered relief and a percentage that the citizen will actually pay. In the past, citizens with vehicles of \$20,000.00 or less received 70 per cent relief, that per cent of relief will change and could go up in a year where assessments go down. The ordinance adopted by Council provides that all vehicles valued at and under \$1,000.00 will be exempted from the tax. Staff of the Finance Department have reviewed the data to determine the appropriate percentage to be listed on tax bills that will be mailed in April; the impact to the City of Roanoke is a cash flow type issue; the State will slow down reimbursements and shift to more of a periodic scheduled reimbursement, whereas, in the past, reimbursements were made from the Commonwealth to Roanoke based on when the City Treasurer submitted data to the State advising that taxpayers had paid their portion of the tax; and based on the current interest rate environment, there will be a negative impact to the City of Roanoke in terms of interest income of about \$45,000.00.



Ms. Shawver advised that Sales Tax, the City's third largest tax, showed a strong growth in fiscal year 2005 of 2.3 per cent, which was not expected because 2004 growth included certain one time corrections for some items; 2004 growth was ten per cent, which was out of the norm compared to prior years where growth was either flat or somewhat in decline; those years were negatively impacted by the terrorist attacks in September 2001, the war in Iraq, and a general slow down of the economy; 2005 continued to do well, and the City ended 2005 with better growth than was expected; the adopted budget for fiscal year 2006 is about a half million dollars less than fiscal year 2005 actual, or about 2.7 per cent below that level; and based on the City's current year growth, which is about 3 ½-4 per cent, it is expected that revenue will exceed the estimate by about \$2 million. Fiscal year 2005 provides the best ability to date to project fiscal year 2007; staff approached fiscal year 2007 expecting continued growth at around three per cent over the next few years. The importance of sales tax revenue is emphasized because it is a barometer of the health of the local economy and the City's third largest revenue at approximately \$21 million.

Council Member Cutler requested a break down on sales tax generated by retail establishments at Valley View Mall; whereupon, the Director of Finance advised that the information could be compiled by reviewing sales taxes remitted by individual stores.

Proposed Legislation **Machinery and Tools Tax**

- Various bills have been introduced in the General Assembly to revise the Machinery and Tools Tax, a component of the personal property tax:
 - Changing the assessment process to require that equipment values be determined based on Federal depreciation schedules
 - Changing the classification of certain machinery and tools to intangible rather than tangible personal property (thus avoiding the tax altogether)
 - Altering the definition of 'idle' machinery and tools
- The goal is to create a more consistent and uniform method to assess the value of machinery and tools.
- The City received approximately \$2.7 million from the Machinery and Tools Tax for fiscal year 2005.

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Ms. Shawver advised that the above information addresses legislative activities with regard to the Machinery and Tools Tax, which is a component of the Personal Property Tax. The City of Roanoke receives about \$2.7 million in Personal Property Tax revenue from this category; and several bills have been introduced in the General Assembly this year with regard to changes in the tax. The City Manager previously alluded to a bill that would change the taxation on machinery owned by a business that is not actively used in a particular process. Other proposed changes could alter the depreciation schedule (during the first year, the City of Roanoke taxes at 60 per cent of value, the next year at 50 per cent of value, then 40 per cent of value, and the tax drops at ten per cent increments until it reaches 20 per cent, and is taxed at 20 per cent thereafter.) The current proposal would enable companies to remit taxes using the same depreciation schedule that they use on their Federal income tax return which could give the City greater taxation in the early years, but would stop the City's ability to tax any out years where the value is kept at 20 per cent using the Federal depreciation schedule, and the tax would eventually go down to a zero value. It is difficult to determine the impact on revenue, however, the Commissioner of the Revenue advises that items in the 20 per cent category represent about \$1.2 million. Taking into consideration the gain from the early years from this type of change, with declines in the latter years, coupled with potential legislation from the idle Machinery and Tools tax, it is estimated that there could be a \$500,000.00 to \$1 million impact to the City. Legislatively, the idea would be to have more consistency and uniformity in the assessment of machinery and tools. The Machinery and Tools tax goes hand in hand with the Business License Tax and legislation has been discussed in recent years regarding changes in the Business License Tax which is one of the City's larger local taxes.

Proposed Legislation **5% Telecommunications Tax**

- Telecommunications tax legislation appears to be well on its way through the General Assembly.
- This will replace utility taxes on landline and cellular phone, cable tv franchise tax, e-911 tax and the gross receipts tax on telecommunications companies.
- A new 5% tax effective 1/1/07 imposed and collected by the Commonwealth and remitted to local governments.
- These changes are projected to be revenue neutral, and over time will likely prove to be positive to local governments in that it will pave the way for taxation on mediums not currently taxed.
- Impact on recommended revenue estimate will be a shift from local taxes to grants-in-aid commonwealth. The telecommunications tax is revenue neutral to FY07.

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Ms. Shawver advised that the Telecommunications Tax, which is intended to provide for better uniformity and consistency, appears to be well on its way though the General Assembly this year. The Telecommunications Tax would replace utility taxes on a typical telephone in the home, or the land line, as well as the cellular phone, cable television franchise tax, the E911 tax, and the gross receipts tax on telecommunications companies. When legislation was initiated, the idea was to make it revenue neutral to localities; and all of the above referenced items were pulled in to be replaced with the new five per cent tax that would be effective on January 1, 2007, to be imposed and collected by the Commonwealth of Virginia and then remitted monthly to localities.

Council Member Cutler inquired as to “how much of the tax will get lost in Richmond.”

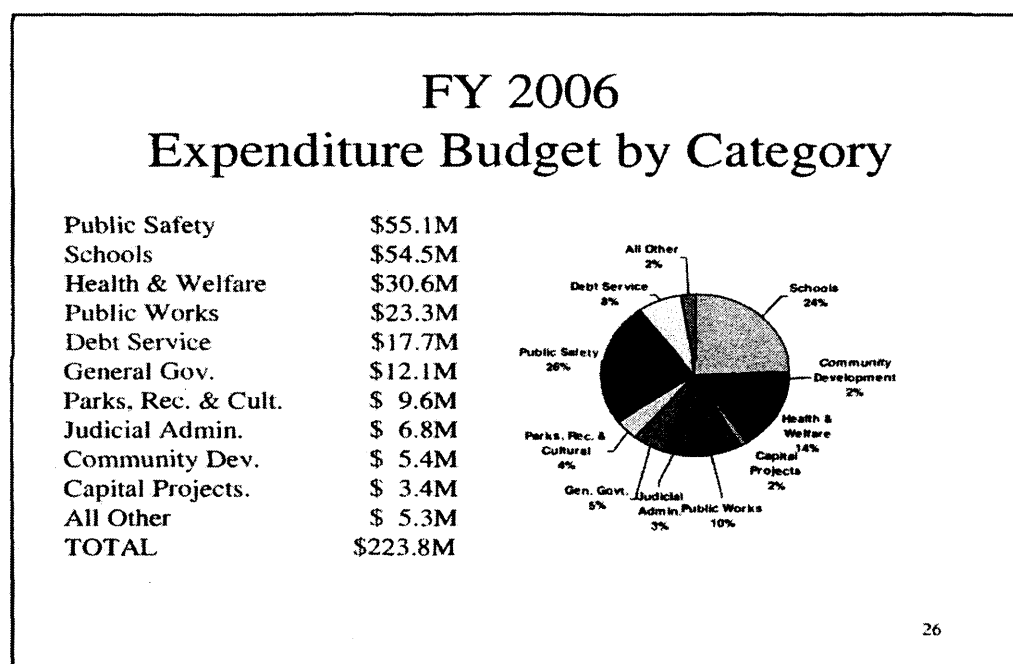
Ms. Shawver responded that it is a concern to local governments and the City’s Department of Billings and Collections works diligently to ensure that cell phone companies remit any taxes that are owed to the City.

The Director of Finance advised that since cell phones came into vogue, it has been difficult to collect taxes; the City’s Department of Billings and Collections has collected \$80,000.00 and up to several hundred thousand dollars of taxes that would not otherwise have been remitted to the City had the Billings and Collections Department not spent many hours auditing cell phone companies and engaging the City Attorney’s Office on occasion to help convince providers to pay outside taxes. He further advised that the State does not have the resources to maintain collection which is a component that will be lost; the Telecommunications Tax needs to be simplified and should be imposed in order to tax some services that are not currently taxed such as satellite, and some current telecommunication services continue to move to the internet, which cannot be taxed.

The City Manager advised that another concern relates to timing of the receipt of funds when a revenue goes to the State to be redirected to a locality. She called attention to occasions when the State has experienced a budget crunch and as a result, delayed a monthly payment to the City by as much as 30-45 days, which created a cash flow problem for the City; and if the tax is billed locally, the City would receive the funds on a more regular basis.

Council Member Lea inquired about the status of the five per cent franchise fee on cable television and the impact on the City of Roanoke.

The City Attorney advised that it is likely that the City of Roanoke will lose revenue because the definition adopted by the State is not as broad as the definition that was negotiated between the City and the City's cable provider, Cox Communications.



Mr. Stovall advised that staff's presentation would now transition to the expenditure side of the budget by looking at budgeted expenditures by major categories. Approximately 74 per cent of the City's budget is dedicated to public safety, schools, health and welfare, and public works; approximately 24 per cent is dedicated to local support of the School division, and when debt paid by the City on behalf of the School division is added in, the figure grows to approximately 26 per cent, which is a significant contribution.

The City Manager pointed out that if one were to take a similar chart for other communities in the region, or for other cities, public safety and schools would be somewhere in the order of first and second, and there starts to be a lot of variance in categories three, four and five. She stated that oftentimes it is said that the City of Salem spends a considerable sum of money on parks and recreation; parks, recreation and culture will be higher on the Salem chart because the City of Salem does not have the same challenges as Roanoke with regard to health and welfare; and it is more typical for a jurisdiction to show public works, general government, and parks and recreation in categories three, four and five than it is to see health and welfare categorized as the third highest expenditure in their budget. She advised that she was proud to be the City Manager of a City where housing and other services are offered to low income individuals, but it must also be recognized that in so doing, less money is available for parks, recreation and culture and certain other activities. She added that it is also a known fact that many times neighboring jurisdictions encourage persons with health and welfare needs to move to the City of Roanoke.

Budget Challenges

- **Support of Roanoke City Public Schools**
- **Employee compensation and benefits**
- **Continue to build debt capacity for planned capital projects**
- **Continue progress in budgeting for equipment replacement, capital building maintenance, street paving and technology**

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Mr. Stovall advised that developing a balanced budget is a challenge which includes support by the local school system, competitive employee compensation and benefits, continuing the City's progress in building debt capacity for planned capital projects, and budgeting for equipment replacement, capital building maintenance, street paving and technology.

Budget Challenges

- **Increases in the cost to provide services at the same level**
 - **Tipping Fees (Tonnage) - \$.1M**
 - **Utilities - \$.3M**
 - **Motor Fuels - \$.3M**
 - **GRTC/Valley Metro - \$.2M**
 - **Vehicle Maintenance - \$.1M**

- **Desire to expand selected program services**
 - **Police (10 positions) - \$.4M**
 - **Library Master Plan - \$.6M**
 - **Code Enforcement Commonwealth Attorney - \$.07M**
 - **Bridge Maintenance \$.5M**
 - **Storm Drain Maintenance - \$.2M**

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Mr. Stovall advised that as the City begins the budget process, it is also faced with the challenge of increases in the cost to provide services at the same level; this year those challenges include an increase in tipping fees as a result of higher tonnage, an increase in the cost of utilities and motor fuels, an increase in the City's contribution to GRTC/Valley Metro, and vehicle maintenance. There is a desire to expand selected program services; i.e.: a request by the Police Department for ten additional positions, a desire to begin building recurring operating funding in the budget, Code Enforcement which includes a request by the Commonwealth's Attorney for an additional position, bridge maintenance and storm drainage maintenance.

Council Member Cutler inquired if funds are budgeted for planning at Carvins Cove; whereupon, Mr. Stovall advised that Council appropriated \$90,000.00 in the current budget for development of a Carvins Cove Master Plan, and the funds will be obligated this year even though the study may extend into next year.

Mr. Stovall emphasized that even though there is a revenue growth of \$15.8 million, once dedicated revenues, social service revenues, the sharing of revenue with the school system, and other miscellaneous dedicated revenue sources are adjusted, only \$6.9 million will remain for discretionary use.

Priority Expenditures

- **Support of Roanoke City Public Schools - \$3,736,871**
 - Based on funding formula of 36.42% of local tax revenue
 - Local support of \$58.1 million and \$4.2 million for debt service
- **Employee Compensation and Benefits - \$5,890,358**
 - Increase in contribution rate (12.61% to 15.11%) for the Employee Retirement System - \$1,461,407
 - Increase in the cost of employee health, dental, and life insurance - \$894,723
 - Remaining six months, or full year cost of additional 4% salary increase provided to Deputy Sheriffs and Fire-EMS - \$392,874 (Total cost of \$775,667)
 - Competitive employee compensation (Target of 4% of salary) - \$3,141,354
 - Salary survey indicates salaries are approximately 9% below First Cities jurisdictions

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Mr. Stovall advised that the list of priority expenditures include additional funding in the amount of \$3.7 million for the school system based on the funding formula previously discussed, local support for fiscal year 2007 would total \$58.1 million, with another \$4.2 million for debt service, which is the City's share of school capital projects.

The City Manager called attention to a recent newspaper article which stated that the School system is contemplating the submission of a fiscal year budget of \$7 million over and above the \$3.7 million, and, in effect could request a \$10.7 million increase in a single year, absent what is known to be the growth that the State will provide in aid to education.

Mr. Stovall advised that the projected increase from the State for school funding is \$6.6 million. He pointed out that the \$4.2 million that the City will provide in fiscal year 2007 for debt service grows to approximately \$6 million in fiscal year 2009, after the City issues its share of the debt for the William Fleming High School project.

Council Member Wishneff requested comparative data from other jurisdictions with regard to the level of school debt service and operating funds; whereupon, the City Manager advised that most of the communities that Roanoke would compare itself with are not in a school construction mode in the same way that Roanoke is, therefore, significant differences will emerge on the debt service.

With reference to the above information on Priority Expenditures, Mr. Stovall advised that employee compensation is at \$5.9 million, which includes an increase in the contribution rate for the Employee Retirement System, an increase in the cost of employee health, dental and life insurance; and in fiscal year 2007, the City will pick up the remaining six months, or the full year cost of the additional four per cent salary increase provided to Deputy Sheriffs and Fire/EMS employees.

The Mayor referred to the increase in contribution rates for the Employee Retirement System, and inquired if over the next few years the contribution rate will begin to come down; whereupon, the Director of Finance advised that rates should come down based on projections made by the City's actuary, assuming that the stock market performs at a level that the City will achieve an expected return of seven and three quarters on the City's investment.

Mr. Stovall advised that the City strives to provide competitive employee compensation and at this point, four per cent of current salary is targeted for fiscal year 2007; and the annual salary survey compiled by the City's Department of Human Resources indicates that the City of Roanoke is approximately nine per cent below Virginia's First Cities jurisdictions.

Council Member Wishneff inquired as to how a four per cent salary increase compares with actions to be taken by Roanoke County and the City of Salem for their employees.

The City Manager advised that Salem and Roanoke County are considering the same percentage of increase. She stated that if the City of Roanoke were to come into a significant increase in revenues, as City Manager, she would recommend a greater percentage increase because over the last six to seven years, more has been demanded of Roanoke's employees, they have produced the desired results, and City employees have been held accountable in a way that should be pleasing to both the Council and to Roanoke's citizens. She added that as the City of Roanoke falls further and further behind in its pay scale, it will be less able to keep valuable employees, therefore, she would set four per cent as a target and if there is a considerable amount of extra money, she would recommend a minimum of five per cent in order to cut through some of the disparity with other localities.

Pay Raise vs. Change in CPI

Fiscal Year	Pay Raise	CPI
2006*	3.14% of salary (avg.)	3.2%
2005	3.08% of salary (avg.)	3.0%
2004	2.83% of salary (avg.)	2.1%
2003	3.0% of salary	1.5%
2002	3.5% of salary	2.7%

Results from salary survey indicates average salaries are approximately 9% below the First Cities jurisdictions

***Sheriff and Fire-EMS received an additional 4% of salary, effective January 06**

Mr. Stovall advised that the above information demonstrates the pay raises provided by the City over the past five years, which have kept pace with inflation, but Roanoke falls behind other First Cities peer jurisdictions.

Employee Compensation

	Amount	Percent of Budget
Salaries	\$62,563,997	28 %
Overtime and Temporary Wages	3,020,144	1 %
Retirement	9,212,173	4 %
Insurance	6,661,356	3 %
Other	6,858,447	3 %
Total	\$88,316,117	39 %

Total General Fund Budget - \$223,799,000

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Mr. Stovall advised that the above information shows the percentage of employee compensation in the total budget; i.e.: salaries, overtime, temporary wages, retirement, insurance, FICA, worker's compensation related expenses; and employee compensation amounts to 39 per cent of the City's total budget.

OPEB

- A new GASB (Governmental Accounting Standards Board) statement will require local governments to quantify, disclose and ultimately record liabilities for benefits other than pensions which are provided to retirees
- Roanoke provides retirees access to the medical and dental plans
 - State Code requires this for retirees with fifteen or more years of service

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Ms. Shawver discussed retiree benefits, or Other Post Employment Benefits (OPEB). OPEB is an accounting for those things besides pensions that the City provides to its employees upon retirement. Beginning in fiscal year 2008, the Governmental Accounting Standards Board (GASB) will impose changes with regard to how localities address Other Post Employment Benefits in terms of non-pension retiree benefits that include access to medical and dental plans, and is a requirement by State Code for all localities with retirees who have 15 or more years of service.

OPEB

- Roanoke's exposure to OPEB liabilities is through an implicit subsidy to retirees for medical insurance
 - Retirees with fifteen years of service are permitted to participate in our medical plan from retirement to age 65 at rates *blended* with those of our active employees
 - An OPEB liability results from the difference in the blended rates available to retirees and the rates which would apply to retirees rated alone.
 - Typical blended rate is about 50% lower than the rate a retiree would receive without the benefit of blending
- Retirees pay for dental insurance at retiree rates, thus there is no liability related to dental

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Ms. Shawver advised that the benefits provided to retirees go hand in hand with the fact that the City allows its retirees to participate in a health insurance rate that is blended as a part of the overall group health plan with active City employees, and provides a better rate for retirees who are blended with younger active employees; however, the Governmental Accounting Standard Board will require the City to quantify, account for and disclose the benefit in future years in the City's financial statements. Currently, the benefit is handled on a pay as you go basis; the City provides a little more in terms of local government costs than it otherwise would if there were a separation of the rates instead of a blended rate; the typical blended rate is about 50 per cent lower than the rate that a retiree would pay as a lone subscriber and retirees pay for dental insurance at a retiree-type rate. Accounting regulations are predicated on current, past and recent practice and even though the City has not promised to provide blended rates forever, the dollars are based on the fact that the City currently provides the blended rates; and 250 retirees have chosen to enroll in the City's health insurance plan and may continue to participate until Medicare eligibility at age 65.

OPEB

- **An initial actuarial review of OPEB liabilities was conducted in Fall 2005.**
 - Study performed by same third party actuary which handles our Pension study and health care consulting.
 - Resulting liability approximates \$30 million and includes valuation for active employees as well as retirees based upon actuarial assumptions.
 - GASB requirements would entail expense of approximately \$4 million each year over a period of years until liability fully recognized in our financials.

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Ms. Shawver advised that the same actuarial firm that prepares the City's Pension Plan study and health care consulting work was engaged to prepare a preliminary actuarial review of health insurance liability; the actuarial firm used data with regard to the enrollment of retirees, the retirement plans they participate in, the age of retirees, assumptions with regard to active employees such as age and likelihood to participate, etc., and arrived at a liability amount for the City based on provision of the benefit at approximately \$30 million. The largest portion of the \$30 million is not for retirees, but for active employees, because actuarial assumptions and methodology examine not only retirees that currently benefit from the blended rate, but also takes into consideration active City employees, the extent to which they have either achieved 15 years of service and may retire, or are likely to achieve 15 years of service and retire.

OPEB

- Financial reporting requirement effective in FY08; planning begins now
- Localities will balance costs of funding liabilities with impacts of changes in policy regarding benefits provided to retirees
- Phased approach may be appropriate in implementing any policy changes
- Study team to be established to examine employee benefits including post retirement benefits and make recommendations to City Council

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Ms. Shawver advised that the City will be required to deal with accounting issues in the fiscal year ending June 30, 2008; however, in order to approach the matter from a prudent fiscal and policy making perspective, now is the time to consider whether the City can fund these types of liabilities, or whether it would be appropriate to enact policy changes. Localities throughout the nation and in the Commonwealth of Virginia are impacted by the State's requirement to provide access to medical care for retirees with 15 or more years of service, and a recommendation will be submitted to Council in conjunction with the City's fiscal year 2008 budget.

The City Manager advised that because of the City's pension policies, more and more people are eligible to retire; with the rule of 70 for public safety employees, which is defined as a combination of age and service totaling 70 years, and the rule of 80 for general employees, the number of City employees who are retiring is increasing and future options need to be reviewed prior to submitting a recommendation to the Council.

The City Manager stated that an important feature of planning for retirement for City employees is the Deferred Compensation Plan in which the City contributes up to \$25.00 per pay period on a matching basis with the employee; too many people over the years have wrongly made the assumption that a single retirement program will be able to sustain them in their retirement; therefore, the City has promoted the idea that employees should look for other avenues of support in their retirement, and the Deferred Compensation Plan is one of those options.

The Director of Finance noted that approximately 80 per cent of City employees currently participate in the Deferred Compensation Plan.

Priority Expenditures

- **Library Master Plan - \$613,700**
 - **Begin funding the recurring operating expense components such as staff additions, collection enhancement, program activity enhancement, and technology**
- **Support of Cultural/Human Service Agencies - \$208,104**
 - **Increase in funding based on growth in discretionary revenue**
 - **Funding to cultural agencies in FY 06 totals \$986,288.**
 - **Funding to human service agencies in FY 06 totals \$2,520,134**
- **Social Service Programs - \$2,623,693**
 - **Increase in funding for programs such as foster care, special needs adoption, daycare services, special needs adoption, and general relief**
 - **State reimburses 50% to 100% of the cost depending upon the program**
- **Debt Capacity for Capital Projects - \$570,000**
 - **Continue to build debt capacity for planned capital projects.**
- **Replacement of lost Water/Sewer Fund revenue from creation of the Western Virginia Water Authority - \$400,000**
 - **Year two of a three year effort**

Mr. Stovall advised that additional priority expenditures include the Library Master Plan, and based on Council's direction, the City began funding the recurring operating expense component such as staff additions, enhancing collection materials, program activity enhancements, and technology enhancements.

Council Member Cutler advised that a comparable plan, the Public Arts Plan, will be considered by the City Planning Commission later today which has the potential for recommending additional spending related to public art for either an individual from outside the City, or a staff person to be added to the City's payroll to address art responsibilities. He inquired if the component has been considered in conjunction with the City's budget development.

The City Manager responded that the dollar amount will be addressed at a later time after Council provides direction to staff.

Mr. Stovall advised that funding was increased based on growth in discretionary revenue; in the current fiscal year, funding provided to cultural agencies will total approximately \$1 million and funding to human service agencies in the current fiscal year will total approximately \$2.5 million, including those funds that the City is required to provide to the local Health Department. There will be an increase in Social Service revenue of approximately \$2.6 million, which includes funding for programs such as foster care, special needs adoption, day care services, and general relief, and the State reimburses the City between 50-100 per cent of the cost, depending upon the actual program. The City has carved out \$570,000.00 from revenue growth for debt capacity for planned capital projects for the past four to five years and will continue to do so through fiscal 2010, and this is year two of a three year effort to replace revenue that the City lost when water and sewer funds were dissolved and the Western Virginia Water Authority was created.

With regard to cultural and human service organizations, Council Member Dowe inquired as to how active the City is from a philosophical standpoint in identifying partnering opportunities, or is it up to cultural and human service organizations to recognize partnering opportunities, more specifically with non-profit organizations.

The City Manager called attention to discussion by Council at a recent City Council retreat in which the Council was of the opinion that it was important for cultural and arts organizations to co-promote, co-market and engage in certain co-ticketing of events so that each entity would not have a separate function, or administrative activity; and Mill Mountain Theatre submitted a proposal to Carilion Health System and the City of Roanoke to co-pilot, co-market, and co-ticket with cultural and arts organizations. She advised that funds that are referenced on the above chart are monies that are allocated by the Roanoke Arts Commission and the Human Services Committee based on an application process, and five organizations did not meet the deadline for submitting applications for funding in fiscal year 2007.

Council Member Lea requested the names of the organizations that did not meet the deadline for funding.

Priority Expenditures

- Continue progress in budgeting recurring funding in the operating budget for equipment replacement, building maintenance, paving, and technology. Eliminate reliance on year end funds for on-going operating expenses
 - Equipment Replacement
 - Additional funding of \$183,404
 - FY 2007 total of \$2,246,116
 - Initial target of \$2.5 million will be reached in FY 2008.
 - Need to revise target to \$3 million.
 - Capital Maintenance of Buildings
 - Additional funding of \$130,000
 - FY 2007 total of \$750,000 to reach initial target
 - Need to revise target to \$1 million
 - Street Paving
 - Additional funding of \$217,159
 - FY 2007 total of \$2,646,111 to reach target of 57 lane miles

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Mr. Stovall advised that at the direction of Council, for the past four to five years, progress has been made to budget recurring funds in the operating budget for equipment replacement, building maintenance, paving, and technology, in order to eliminate the City's reliance on year end funding for on-going operating expenses. The City will meet its target of \$750,000.00 in fiscal year 2007 for the Capital Maintenance of Buildings, and Street Paving at a funding level of \$2.6 million to reach a target of 57 lane miles. With respect to equipment replacement, the City will reach the initial \$2.5 million target in fiscal year 2008, but as equipment replacement needs are assessed, it will be necessary to revise the target to \$3 million; and in the category of Capital Maintenance of Buildings, based on capital building needs in excess of \$10 million, it will be necessary to revise the target to approximately \$1 million; and it is recommended that revenue continue to be dedicated to these categories in the out years.

Priority Expenditures

- Continue progress in budgeting recurring funding in the operating budget for equipment replacement, building maintenance, paving, and technology. Eliminate reliance on year end funds for on-going operating expenses
 - Technology
 - Additional funding of \$158,753
 - FY 2007 total of \$1,000,000 to reach initial target.
 - Continue to provide incremental funding over the next five years to reach \$1.5 million to \$2 million.

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Mr. Stovall advised that in the category of Technology, the City will meet the initial target of \$1 million in fiscal year 2007, but based on technology needs, it is anticipated that the target will need to grow to \$1.5 - \$2 million over the next five years.

Council Member Cutler inquired if the above statement is related to the new financial control software; whereupon, Mr. Stovall advised that financial control software has been funded; however, there are issues with respect to replacement of micro computers, disaster recovery, and additional phases of the City's work order system, etc.

Priority Expenditures

- **Maintaining existing service levels and enhancing selected program services – \$2,757,921**
 - **Increase in the cost of maintaining existing service levels - \$2,112,424**
 - Motor Fuels
 - Utilities
 - GRTC/Valley Metro Contribution
 - Solid Waste Tipping Fees (Tonnage Increase)
 - Vehicle Maintenance
 - **Enhancing selected program services - \$645,497**
 - Code Enforcement
 - Bridge/Storm Drain Maintenance
 - Greenway Maintenance
 - River Keepers Program

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Mr. Stovall advised that after reviewing requests from City departments, approximately \$2.1 million is proposed to be dedicated for an increase in the cost of maintaining existing service levels; approximately \$645,000.00 will be directed toward enhancing selected program services; and supplemental budget requests submitted by various City departments are in the \$5-6 million range.

The City Manager called attention to the inclusion of an additional position for the Office of the Commonwealth's Attorney for the purpose of prosecuting violations with regard to City Code enforcement. Question was raised as to the rationale for placing the position in the Commonwealth Attorney's Office, as opposed to the City Attorney's Office; whereupon, the City Attorney advised that the City Charter requires the Commonwealth's Attorney to prosecute Code violations.

Question was also raised as to what assurances have been made that the additional position will be used for Code enforcement purposes by the Commonwealth's Attorney.

The City Manager advised that the Commonwealth's Attorney has made a commitment that the additional position will be used exclusively for Code enforcement, and only if the City cannot provide sufficient work for the additional position to address Code enforcement issues could the position be used for other purposes by the Commonwealth's Attorney. She stated that a considerable amount of staff time has been expended to study ways in which the City could be more aggressive in the Code enforcement area, and an aggressive program will be initiated on July 1, 2006, the City Attorney is reviewing portions of the City Code to determine if more restrictive measures can be adopted by Council; and the additional position in the Commonwealth Attorney's Office will be critical insofar as prosecuting Code enforcement cases through the City's Court system.

Mr. Stovall advised that the above information represents a list of priority expenditures proposed by City staff at this point, and staff would like Council's input with regard to those items that the Council would like to add to the priority list.

Council Member Cutler suggested that the operations side of the Public Arts Plan be included on the priority list. Council Member Wishneff spoke in support of the request of the Police Department for ten additional positions.

Planned Future Bond Issues (City)

	FY 08	FY 10
Fire-EMS Facilities	\$3.81M	-----
Roanoke River Flood Red	\$4.52M	-----
William Fleming High School	\$20.00M	-----
Downtown West Parking Garage	\$2.60M	-----
Multi-Purpose Recreation Center	-----	\$6.71M
Total	\$30.93M	\$6.71M

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Transitioning to the Capital Improvement Program, with respect to the planned issuance of bonds on the City's side in fiscal 2008, Mr. Stovall advised that the City plans an issuance of \$30.9 million for the Fire-EMS Facilities project, Roanoke River Flood Reduction Project, the City's share of the William Fleming High School project, the second parking garage in the Downtown West area; and in fiscal year 2010, the City plans \$6.7 million for the Multi-Purpose Recreation Center.

**Planned Future Bond Issues/Debt
(Schools)**

	FY 07	FY08	FY 09
Patrick Henry (Literary Loan/VPSA)	\$7.50M	-----	-----
Fallon Park/Westside (Literary Loan/VPSA)	\$5.01M	-----	-----
Monterey/Raleigh Ct. (Literary Loan/VPSA)	-----	\$2.0M	-----
William Fleming (Literary Loan)	-----	\$16.5M	\$7.5M
Total	\$12.51M	\$18.5M	\$7.5M

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Mr. Stovall advised that in 2007, the Schools plan an issuance of approximately \$12.5 million for Patrick Henry High School and Fallon Park and Westside Elementary Schools improvements, which will be done through either a Literary Loan Fund or a VPSA loan or bond.

The City Manager clarified that when the Schools use a source such as the Literary Loan Fund, or VPSA loan or bond, they are still using the City's debt capacity.

Mr. Stovall advised that in fiscal year 2008, the Schools plan approximately \$18.5 million for improvements to Monterey and Raleigh Court Elementary Schools; \$16.5 million for their share of the William Fleming High School renovation project; and another \$7.5 million in fiscal year 2009 for the William Fleming High School project.

• **Existing Capital Projects Requiring Additional Funding:**

- **Bridge Renovation Program- \$7.5M**
 - \$1.5 million annually for five years
 - Increase operating funding for maintenance from \$150,000 to \$500,000
- **Roanoke Center for Industry and Technology- \$1.2M**
 - Complete the extension of Blue Hills Drive
 - Fund from Economic and Community Development Reserve
- **Riverside Center for Research and Technology - \$1.5M**
 - Streetscape improvements required in performance agreement as center is developed
- **Curb, Gutter, and Sidewalk Program - \$8.9M**
 - Current program has reduced the backlog
 - Additional funding needed in FY 2007-08.

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Mr. Stovall advised that as the City looks to the future, existing capital projects that require additional funding include the Bridge Renovation Program at \$7.5 million, and it is anticipated that \$1.5 million will be needed annually over a five year period; there is also a request to increase operating funds for maintenance of City bridges from \$150,000.00 to \$500,000.00 annually; a request for \$1.2 million to complete extension of Blue Hills Drive at the Roanoke Centre for Industry and Technology, and at this point, it is believed that the City will be able to fund the extension from the Economic and Community Development Reserve; a request for \$1.5 million for streetscape improvements that are required in the performance agreement with build out at the Riverside Center for Research and Technology; a request for \$8.9 million for the Curb, Gutter and Sidewalk Program, and current program and funding that was provided through the issuance of bonds several years ago has reduced the backlog, but when looking at the remaining amount of available funds, additional funds will be needed in fiscal year 2007-2008.

Council Member Dowe inquired about funding for the Colonial Avenue/Wonju Street project; whereupon, the City Manager advised that the project is funded through the Virginia Department of Transportation's Six Year Plan (VDOT), which should move forward in the current calendar year since VDOT has completed the public comment period.

- **Existing Capital Projects Requiring Additional Funding:**
 - **Gateway and Streetscape Improvements - \$1.4M**
 - Not formally included in the CIP
 - Recent projects include Jamison/Bullitt, Williamson Road, Huff Lane
 - Additional projects include Crystal Springs other projects to be prioritized based on neighborhood plans
 - **Downtown and Village Center Streetscape Improvements - \$6.5M**
 - Not formally included in the CIP
 - Recent project - Grandin Road
 - Additional projects include Salem Avenue, Kirk Avenue, Norfolk Avenue, Williamson Road (10th Street), Melrose Avenue, Memorial Avenue
 - **Storm Drains - \$57.2M**
 - Based on identified projects
 - Storm water utility fee potential funding source
 - **Public Works Service Center Improvements - \$4.2M**
 - First two phases have been completed
 - Additional phases include renovation of space occupied by Facilities Management, renovation of locker room, HVAC replacement, and expanding the building to meet identified needs.

Mr. Stovall advised that other projects requiring additional funds include \$1.4 million for gateway and streetscape improvements, which is not formally included in the City's CIP, recent projects include activities in the Jamison/Bullitt area, Williamson Road area, and Huff Lane, and additional projects include Crystal Springs and other projects that will be prioritized based on neighborhood plans; \$6.5 million for downtown and village center streetscape improvements, which is not formally included in the CIP, and improvements in the Grandin Road area

represent an example of a recent projects, and additional projects include Salem Avenue, Kirk Avenue, Norfolk Avenue, Williamson Road (10th Street), Melrose Avenue, and Memorial Avenue; \$57.2 million for storm drain projects which is based on projects that have been identified at this point, and a storm water utility fee has been discussed as a potential funding source; and \$4.2 million for improvements at the Public Works Service Center.

Council Member Dowe requested that City staff address the storm water utility fee as it relates to new commercial type businesses, as opposed to existing businesses, and the offering of incentives to attract new businesses to the area.

The City Manager explained that a new business would be required to pay the same fee based upon the amount of impervious surface to be generated, unless the business chose to submit a specific plan that would contain storm water on site; an existing business could submit specific plans for approval by the City that would mitigate storm water and the business would not be required to pay the storm water utility fee. Overall, she stated that the storm water utility fee would be applied to every existing business, as well as any new business, and to every existing and future residential unit.

• **New capital projects requiring funding:**

- **Library Master Plan Phase I - \$13M**
 - Recurring Operating -\$2.4M
- **Radio System Upgrade - \$10.6M**
 - Upgrade to digital technology with Roanoke County
 - FY 2008 - \$4.4M, FY 2009 - \$2.9M, FY 2010 - \$3.0M, FY2011 - \$.3M
- **Courthouse Renovation/Expansion – Cost To Be Determined**
 - Concept study underway and scheduled to be completed in spring 2006
- **Housing Strategies - \$1.5M**
 - Includes Market Rate Purchase/Rehabilitation Program, Market Rate Mortgage Assistance Program and Property Acquisition

Mr. Stovall advised that the above information transitions to new capital projects that require funding; i.e.: Phase I of the Library Master Plan at approximately \$13 million, of which \$9 million is for architectural and engineering services and bricks and mortar related expenses, with the remaining portion to be used for furniture, fixtures and equipment; the \$13 million applies to the super regional branch library and for renovation and expansion of possibly two existing library branches; \$10.6 million for a radio system upgrade from analogue to digital technology in conjunction with Roanoke County, and funding needs over multiple fiscal years beginning in fiscal year 2008 through fiscal year 2011;

Courthouse renovation and expansion, the cost of which is to be determined following the concept study that is scheduled for completion in the spring of 2006; and \$1.5 million for housing strategies, which include a Market Rate Purchase/Rehabilitation Program, a Market Rate Mortgage Assistance Program and Property Acquisition.

Capital Projects

- **New capital projects requiring funding:**

- **Police Academy - \$5.5M**
 - Based on preliminary estimate
- **Market District Plan - \$4.8M**
 - Based on preliminary estimate
 - Market Building Improvements -
 - Market Square and Farmer's Market Improvements -
 - Streetscape
- **Gainsboro Parking Garage Expansion - \$3.8M**
- **Jail HVAC and Security - \$2.5M**

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Mr. Stovall advised that additional projects include a new Police Academy at \$5.5 million; and a preliminary figure of \$4.8 million for the Market District Plan which includes improvements to the City Market Building, the Market Square and the Farmer's Market, as well as streetscape improvements in the Market district area.

Council Member Cutler inquired as to the level of partnering that could be anticipated from the private sector.

The City Manager advised that it is believed that this particular aspect of the Market Plan would be done with City funds and the private sector would be engaged in other aspects, such as modification of the parking garage for condominiums, or Market Building improvements through a long term lease, or purchase arrangement.

Mr. Stovall advised that \$3.8 million is included to expand the Gainsboro Parking Garage to facilitate the potential location of the Social Security Administration Building.

The City Manager clarified that parking will be provided for the Social Security Administration Building through existing parking; however, the Gainsboro Parking Garage will then be at full capacity, therefore, if additional parking is needed in the Gainsboro community, the \$3.8 million will provide for expansion of two additional floors that were initially considered in the structural design of the Gainsboro Parking Garage.

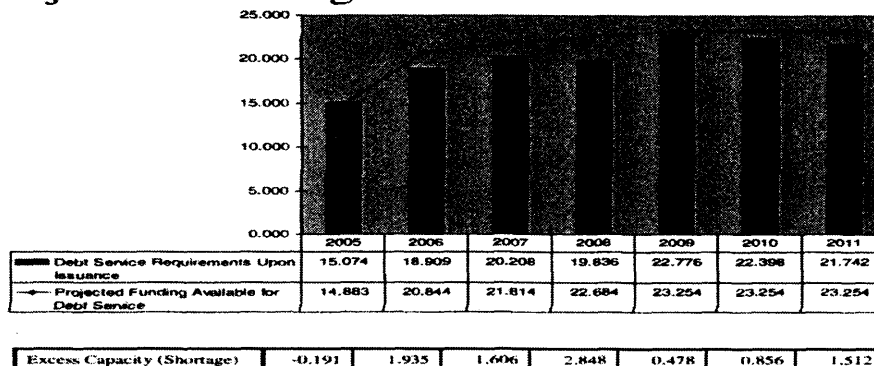
Council Member Wishneff inquired if Norfolk Southern Railway (NS) has been approached with regard to providing a pedestrian grade crossing at the railroad tracks; whereupon, the City Manager advised that the issue was discussed with railroad officials some time ago without success. She stated that NS is attempting to reduce the number of crossings of rail tracks, whether they be pedestrian or vehicular, due to liability issues.

Mr. Stovall advised that the last item on the list of new capital projects is replacement of the Jail HVAC and security systems, at approximately \$2.5 million. He then called for input by Council with regard to other items that should be included on the capital projects list.

Question was raised with regard to how the City monitors the availability of Federal and State funds and grant opportunities; whereupon, the City Manager advised that for the past several years, the City has contracted with the Randall Corporation to monitor available grants and, in the initial years of the contract, the City was guaranteed a certain volume of grants through the Federal and State governments; and the contract with the Randall Corporation was renewed, but has not been as successful in its most recent extension; therefore, the City plans to advertise a request for Proposals for similar services in the future. She stated that Senator George Allen's Office has been helpful by forwarding information with regard to various grant opportunities for the City's review.

Council Member Cutler inquired if a Carvins Cove Master Plan will be prepared for future consideration; and following the Mill Mountain and Carvins Cove Master Plans, he suggested the preparation of a Roanoke River Parkway Master Plan that would take into account the work of the U. S. Army Corps of Engineers with regard to bench cuts, and the greenway trail, etc., as to how the park could be extended from one end of the City to the other along the Roanoke River (Bennington Street). He stated that it would be hoped that at a not too distant future date, the City would dedicate the entire Roanoke River through the City of Roanoke as a Roanoke River Park.

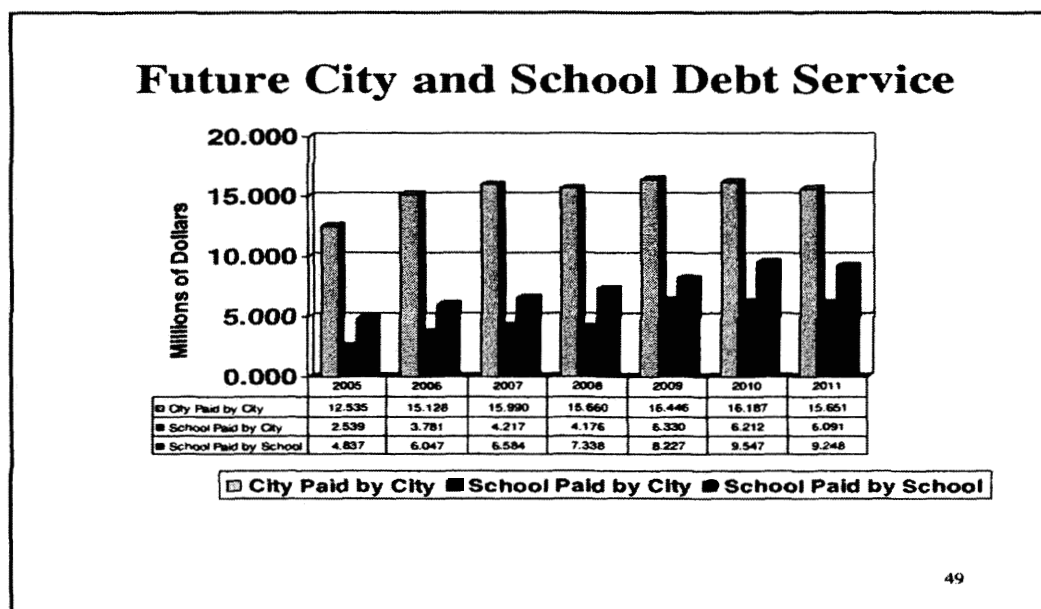
Future General Fund Debt Service Requirements and Projected Funding Available for Debt Service



Ms. Shawver advised that the above chart provides an update on funding for debt and debt service, based on projects that have been funded through various bond issues. Moving toward fiscal year 2007 and in other years, \$570,000.00 has been carved out in additional debt service, as well as setting aside other new revenues each year toward future debt service. At last year's Financial Planning Session, Council was advised of the need to identify a new source of revenue to provide for debt service, therefore, the meals tax was increased one per cent, which provided about \$2,060,000.00 in additional revenue, one-half of which was devoted to debt service.

The Director of Finance stated that EMS fees were based on a five year phased in approach that has contributed a total of about \$750,000.00 over several years.

Ms. Shawver advised that the Capital Improvement Program, as a whole, is about ten per cent cash funded, which is a plus when the City talks with bond rating agencies.



Ms. Shawver stated that the above chart depicts debt service, i.e.: debt service paid by the City on non-school items, such as economic development projects, Roanoke River Flood Reduction, storm drains, etc.; another bar depicts debt service amounts that the City of Roanoke pays on behalf of the Schools for projects such as RAMS, Patrick Henry and William Fleming High Schools, and various school construction projects; and another bar depicts the debt service that the School system funds.

Council Member Dowe suggested that a list of future projects (a "wish list") be prepared that the City could place on its radar screen; whereupon, the City Manager advised that an inventory of needed improvements to all municipal buildings has been prepared. She stated that City staff is attempting to build an annual amount of funds that will be needed to address maintenance of the City's buildings because not every building will need to be repaired in the same year. To the extent possible, she advised that the City would be far better off to include funds in the operating budget on an annual basis for recurring items and give consideration to the replacement cycle for different kinds of buildings.

Legal Debt Margin and Balance of Outstanding Debt as of March 1, 2006			
Assessed Value of Real Estate, 2006			<u>\$5,934,020,400</u>
Legal Debt Limit, 10% of \$5,934,020,400			593,402,040
• City General Obligation Bonds		\$122,815,091	
• Enterprise Fund Debt:			
– General Obligation Bonds:			
• Civic Center Fund	15,990,000		
• Parking Fund	<u>10,094,474</u>		
Total Enterprise Fund Debt		26,084,474	
• Capital Leases		246,935	
• School General Obligation Bonds	60,925,365		
• Qualified Zone Academy Bonds (QZAB)	1,874,368		
• Virginia Public School Authority (VPSA) Bonds	<u>30,699,670</u>		
• Literary Fund Loans	<u>5,002,000</u>		
Total Schools		98,501,403	
• Section 108 Loan		3,220,000	
• General Obligation Debt Issued for Utilities ⁽¹⁾		<u>31,160,000</u>	
Total Debt as of March 1, 2006		\$282,027,903	
• Less: Parking Fund Debt Considered Self Supporting		(10,094,474)	
• Less: Section 108 Loan		(3,220,000)	
• Less: General Obligation Debt to be Paid by WVWA ⁽¹⁾		<u>(31,160,000)</u>	
Outstanding Tax Supported Debt		\$237,553,429	
• Less: Available in Debt Service Fund		<u>(908,751)</u>	
Legal Debt			236,644,678
Legal Debt Margin			\$356,757,362

⁽¹⁾ General Obligation Bonds issued by the City prior to June 30, 2004 which will be contractually repaid by the WVWA 50

Debt Policies

- **Tax-supported general obligation debt service will not exceed 10% of General Fund expenditures.**
- **Net bonded debt will not exceed 5% of the assessed value of real estate.**
 - Net Bonded Debt is general obligation debt for the City and School Board, exclusive of Parking Enterprise Fund debt and the amount available in the Debt Service Fund.
- **Tax-supported debt will be structured such that not less than 50% of aggregate outstanding debt will be retired within ten years.**
 - Note: Ratios that follow include all tax-supported debt - GO bonds, VPSA, Literary Loans, QZAB, and Capital Leases.

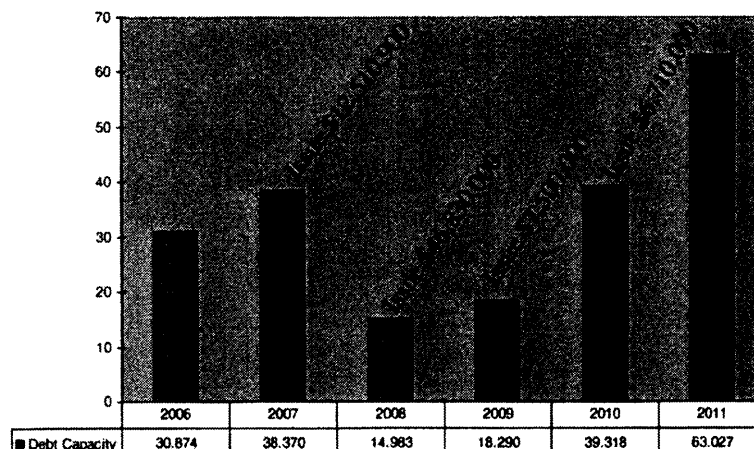
Ratio of Debt Service to General and School Fund Expenditures (10%)

	City <u>Projects</u>	School <u>Projects</u>	<u>Overall</u>
• FY 2003	5.6%	2.9%	8.5%
• FY 2004	4.6%	2.5%	7.1%
• FY 2005	4.5%	2.6%	7.1%
• FY 2006	5.2%	3.4%	8.6%
• FY 2007	5.3%	3.6%	8.9%
• FY 2008	5.0%	3.7%	8.7%
• FY 2009	5.0%	4.5%	9.5%
• FY 2010	4.8%	4.6%	9.4%
• FY 2011	4.4%	4.3%	8.8%
• FY 2012	4.1%	4.1%	8.1%

Note: Assumes annual expenditure growth of 4%.

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Debt Capacity After Future Planned Debt Issuances (in millions)



Debt capacity is based on debt service payments not exceeding 10% of General Fund expenditures. 53

Ratio of Net Bonded Debt to Assessed Value of Real Estate (5%)

	<u>City Projects</u>	<u>School Projects</u>	<u>Overall</u>
• FY 2003	2.5%	1.5%	4.0%
• FY 2004	2.2%	1.5%	3.7%
• FY 2005	2.6%	1.8%	4.4%
• FY 2006	2.5%	1.8%	4.4%
• FY 2007	2.2%	1.7%	3.9%
• FY 2008	2.0%	2.2%	4.2%
• FY 2009	1.8%	2.1%	3.8%
• FY 2010	1.6%	1.8%	3.5%
• FY 2011	1.4%	1.6%	3.0%
• FY 2012	1.2%	1.4%	2.6%

Note: Assumes growth of 8.5% in FY07, 5% in FY08, 4% thereafter in assessed value of real estate.

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Reduction of Aggregate Debt Within Ten Years (50%)

(Reflects Issuance of Planned Future Debt)

	<u>City</u>	<u>Schools</u>	<u>Overall</u>
FY 2005	72%	66%	69%
FY 2006	69%	66%	68%
FY 2007	71%	68%	70%
FY 2008	72%	65%	68%
FY 2009	75%	67%	71%
FY 2010	76%	70%	73%
FY 2011	78%	73%	76%
FY 2012	81%	76%	78%

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The Director of Finance advised that the above charts/information address debt policies and capacity.

Debt Statistics of Urban Cities

Source: 6/30/05 CAFRs

Locality	General Obligation Bond Rating	Debt Service To General Fund Expenditure	Net Bonded Debt To Assessed Value Real Estate	Net Bonded Debt Per Capita
Roanoke	AA/Aa3	7.19%	4.36%	\$2,312
Richmond	AA/Aa3	10.32%	3.67%	\$2,177
Hampton	AA/Aa2	7.59%	2.89%	\$1,422
Lynchburg	AA/Aa3	8.46%	3.01%	\$1,557
Newport News	AA/Aa2	8.79%	4.46%	\$2,176
Norfolk	AA/Aa1	11.99%	3.99%	\$1,807
Portsmouth	AA-/A1	6.63%	5.68%	\$2,301
Roanoke Co.	AA/Aa2	6.63%	2.12%	\$1,438

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Council Member Dowe inquired if the Cities of Norfolk and Richmond have engaged in the types of projects that could generate revenue for their localities.

The City Manager advised that several years ago, the City of Richmond deliberately exceeded its debt policy and downgraded for a period of time and the locality specifically directed some activity toward economic development projects.

She stated that the City of Norfolk exceeded its debt policy and City officials went to bond rating agencies in advance of the issuance of bonds to explain the City's plans.

Capital Project Recap

Bridge Renovation Program	\$7.5M
Roanoke Center for Industry and Technology	\$1.2M
Riverside Center for Research and Technology	\$1.5M
Curb, Gutter, and Sidewalk	\$8.9M
Gateway and Streetscape Improvements	\$1.4M
Downtown and Village Center Streetscape Improvements	\$6.5M
Library Master Plan	\$13.0M
Radio System Upgrade	\$10.6M
Courthouse Renovation/Expansion	TBD
Housing Strategies	\$1.5M
Market District Plan	\$4.8M
Gainsboro Parking Garage Expansion	\$3.8M
Jail HVAC and Security	\$2.5M
Storm Drains	\$57.2M
Public Works Service Center	\$4.2M

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Mr. Stovall transitioned to prioritizing and balancing of the budget, and advised that at some point, either today or at a later time, staff would like input by Council with regard to Council's priorities for capital projects that were previously identified which will allow staff to develop a plan for later consideration by Council.

The Mayor advised that the Library Master Plan deserves prioritization and there is an element of excitement around the City Market District Plan.

Council Member Wishneff suggested that housing be ranked as the next priority.

Council Member Dowe suggested the installation of sidewalk on the other side of Cove Road, N. W.; whereupon, the City Manager advised that sidewalks were envisioned for only one side of Cove Road. She stated that the commitment was to complete one side of Cove Road, given the volume of sidewalk needs throughout the City of Roanoke.

Council Member Dowe inquired if any portion of the youth component to the City's Comprehensive Plan will be implemented in the next budget cycle.

The City Manager advised that it may be necessary to wait another year due to timing issues, recommendations of the Youth Commission will be physical in terms of facilities and some will include operational issues that may be accommodated depending on when the youth component is completed. She added that it is doubtful that recommendations will be processed through the City Planning Commission and the City Council to the point that certain needs could be considered in the 2007 fiscal year budget.

Priority Expenditures

Support of Roanoke City Schools	\$3.7M
Employee Compensation and Benefits	\$5.9M
Library Master Plan	\$.6M
Support of Cultural/Human Service Agencies	\$.2M
Debt Capacity for Capital Projects	\$.6M
Replacement of lost Water/Sewer Fund Revenue	\$.4M
Equipment Replacement	\$.2M
Capital Maintenance of Buildings	\$.1M
Street Paving	\$.2M
Technology	\$.2M
Maintaining Existing Service Levels/Enhancing Selected Programs	\$2.9M

Mr. Stovall advised that none of the items on the above list are considered to be luxury items, but address critical needs of the City.

Status of Budget Balancing

Preliminary Projection Revenue Growth	\$15,857,000
Priority Expenditures	\$17,489,963
Balance	(\$1,632,963)

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Mr. Stovall advised that based on the preliminary estimate with respect to revenue growth and the total list of priority expenditures, the City's budget is approximately \$1.6 million out of balance, which could change over the next few weeks as City staff works with the recommended budget.

Council Member Wishneff advised that his number one priority would be the addition of ten new police officer positions for fiscal year 2007.

The City Manager advised that Council was not being requested to balance the budget today, but it is important to understand that certain choices will have to be made; City staff will initially make the choices in order to present a balanced budget to the Council, and Council will decide whether staff has been wise in its selection, or whether the Council wishes to modify certain staff recommendations.

Council Member Wishneff advised that his priorities are: the addition of ten new police officer positions, a pay increase for City employees, and a revision of the income limit and net worth of persons applying for the Elderly and Disabled Real Estate Tax Freeze.

The Mayor concurred in the remarks of Council Member Wishneff with regard to the ten new police officer positions and a pay increase for City employees; however, he suggested a review of the net worth, as opposed to the net income limit of persons qualifying for the Elderly and Disabled Real Estate Tax Freeze.

It was suggested that City staff confer with the City Treasurer and the Commissioner of the Revenue to determine the number of persons who have not qualified under currently established net worth and income levels.

Comparison of Local Tax Rates for Peer Localities – FY 2005

	Roanoke	First Cities	All Cities	Roanoke Co.
Real Estate	\$1.21/\$1.03	\$1.27/\$1.12	\$0.98/\$0.89	\$1.12/\$0.99
Personal Property	\$3.45/\$2.66	\$4.06/\$3.23	\$3.74/\$2.87	\$3.50/\$2.70
Utility Consumer	12%	19%	17%	12%
Motor Vehicle License	\$20	\$25	\$22	\$20
Prepared Food	4.0%	6.1%	4.9%	4.0%
Transient Occupancy	7.0%	7.4%	5.9%	5.0%
Cigarette (25 pack)	\$0.2700	\$0.5813	\$0.3957	\$0.0000
Admissions	5.5%/9%	8.6%	8.4%	5%

Note: Split rates for Real Estate and Personal Property Taxes denote differences in nominal and effective tax rates based on assessment/sales ratio and assessment basis, respectively.

Current Prepared Food Tax is 5%

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Mr. Stovall advised that \$1.27 per \$100.00 of assessed value is the First Cities average on the real estate tax rate, and is slightly higher than the real estate tax in the City of Roanoke which is \$1.21 per \$100.00 of assessed value; however, he stated that Roanoke is lower on the Personal Property Tax, Utility Consumer Tax, Motor Vehicle License Tax, Prepared Food Tax, and in the ball park on the Cigarette Tax, as compared to other First Cities localities.

Closing The Gap Potential Options

- **Reduce pay raise amount**
 - 1% = \$785,389
- **Reduce planned increases in equipment replacement, capital building maintenance, and technology**
- **Reduce planned supplemental funding to enhance selected programs**
- **Examine budget reductions**
 - Department Directors and Division Managers asked to submit option for 3% reductions

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Cost of Services

- **Police Officer - \$39,327**
 - Includes salary, supplies, and equipment (excludes vehicle)
- **Firefighter - \$40,755**
 - Includes salary, supplies, and equipment
- **Leaf Collection - \$400,000**
- **Solid Waste Tipping Fees – \$2,490,407**
- **Snow Removal - \$253,869**

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Question was raised with regard to how any excess funds in the snow removal account will be handled; whereupon, it was advised that excess funds are deposited in the year end fund balance.

The City Manager pointed out that the City is currently in year five of a five year program to provide take home vehicles to police officers, the program is working well, a significant number of police officers have made the decision to live in the City of Roanoke, and the Officer Next Door Program is another example of how the City encourages its public safety employees to live in the City, and the program should continue to be promoted.

Prior Year Budget Adjustments

- **\$1.5 Million in FY 2005-06**
 - **\$1M in staff adjustments**
 - 6 new unfunded positions - \$136,638
 - Continuation of 6 unfunded positions - \$143,083 (General Fund)
 - 9 previously unfunded position eliminated - \$240,433 (General Fund)
 - **\$4M in operating adjustments**
 - Adjustments included human resource programs, Juvenile Court Services residential detention, recreation programs, overtime and other department adjustments
- **\$2.2 Million in FY 2004-05**
 - **\$1.5M in staff adjustments**
 - 27 positions eliminated in the General Fund - \$964,808, 12 of the positions associated with the Water Authority
 - 16 unfunded positions - \$485,406 (General Fund)
 - 9 previously unfunded position eliminated - \$240,433 (General Fund)
 - **\$7M in operating adjustments**
 - Adjustments included summer intern program, park maintenance activities, recreation programs, utility cut repairs, and other department adjustments

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Mr. Stovall advised that the above information provides an overview of some of the budget adjustments that were made over the last two years, which includes \$500,000.00 in the current year, approximately \$143,000.00 in staff adjustments that involved six new unfunded positions, and nine previously unfunded positions were eliminated, for a savings of \$240,000.00; \$400,000.00 in operating adjustments were made across department boundaries, including human resource programs, Juvenile Court Services residential detention, recreation programs, overtime and other department adjustments; in fiscal year 2004-2005, budget adjustments totaled \$2.2 million and included \$1.5 million in staff adjustments; 27 positions were eliminated, at a savings of approximately \$1 million, 12 of which were positions associated with transition to the Western Virginia Water Authority, 16 unfunded positions, for a savings of approximately \$500,000.00, and nine previously unfunded positions were eliminated, for a savings of \$240,000.00; and approximately \$700,000.00 in operating adjustments across department boundaries included the summer intern program, park maintenance activities, recreation programs, utility cut repairs, and other department adjustments.

The Mayor requested that Council Members provide any additional suggestions to the City Manager.

The City Manager advised that Council will be provided with a budget status update, particularly with regard to the State budget, in terms of any changes that could significantly impact the numbers that were reviewed with the Council today. She stated that the City's Fiscal Year 2007 budget will be submitted to the Council on Monday, April 17, 2006; two weeks prior to April 17, City staff will meet with Council Members for budget briefings; and the public hearing on the fiscal year 2007 budget will be held on Thursday, April 27, 2006, at 7:00 p.m., in the City Council Chamber, with budget study sessions to be held on May 4 and 5, 2006, at 8:30 a.m., in Room 159, Noel C. Taylor Municipal Building.

Council Member Cutler inquired about the status of a storm water utility fee; whereupon, the City Manager advised that the consensus of Council was that this is not the year to enact the fee, and a storm water utility fee could be tied in with an appropriate reduction in the real estate tax rate in a future fiscal year.

There being no further business, the Mayor declared the meeting adjourned at 1:25 p.m.

A P P R O V E D

ATTEST:

Mary F. Parker
City Clerk

C. Nelson Harris
Mayor
